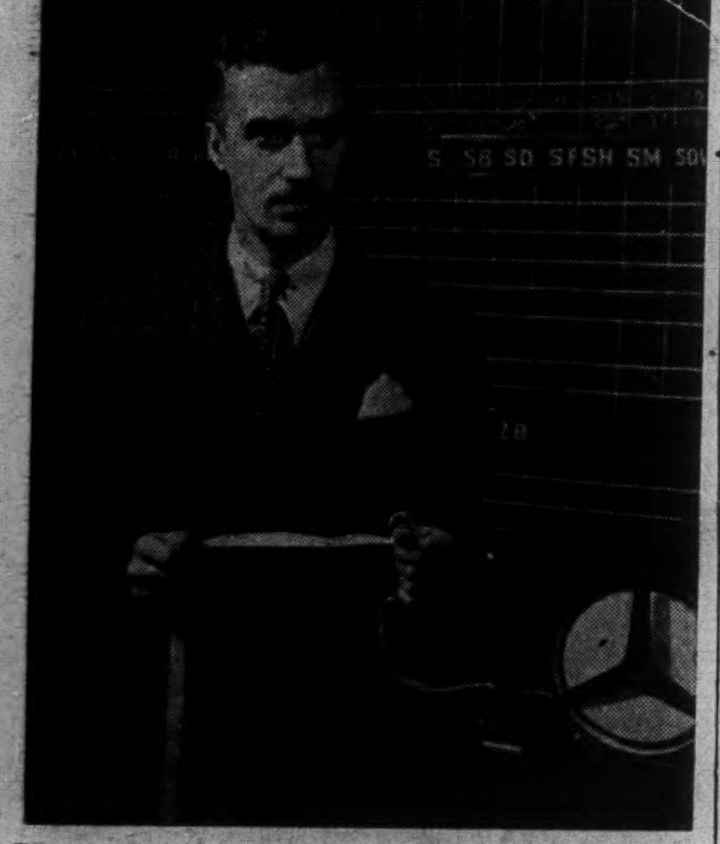
Heads Montreal Exchange



Forty-one-year-old Jacques Forget this week became Chairman of the 80-seat Montreal Stock Exchange, one of the largest industrial securities markets in Canada (with a record last year of some 11,599,-000 industrial shares traded). Mr. Forget, son of the late Sir Rodolphe Forget, was one of the founders, and first president, of Le Chambre du Commerce des Jeunes in Montreal; became a governor of MSE in 1944, and vice-chairman two years later.

The Financial Post

The Canadian Newspaper for Businessmen and Investors

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See Sterling Barrier Built Against Canada

Must Buy More Empire Goods, to Sell More in Return, Exporters Warn; Say Present Down Trend "Alarming"

OTTAWA (Staff)—The brief of the Canadian Exporters' Association which reached here last week and which pointed to an alarming drop in Canadian sales to long-established Empire markets, touched a sore and troubled spot in the Canadian trade outlook.

There is no denial here that the facts as outlined by the CEA are correct. The problem is: What to do about it?

Briefly, it is the CEA contention that all over the sterling area the barriers are going up against Canadian exports. As a means of halting this decline it is suggested that a more intensive effort be made to increase Canadian purchases from these areas so that in turn they may have more dollars with which to continue to buy Canadian exports.

The point made here is that Canada has been enjoying in these Empire markets an export trade that is presently two to one in our favor—a trade that within the past year has been in many cases three or four to one on our side.

Thus, five typical Empire markets took $62 millions in goods from Canada in the first quarter of 1947; sold us only $25 millions in return. In the first quarter of 1948, their purchases from us dropped to $46 millions as against sales to us of $22 millions.

All along the line (it is contended here) Canada would like to make greater purchases in these countries. Calfskins and butter from New Zealand; oil from Trinidad; sugar from the West Indies, citrus fruits, etc.

Their Exports at Limit

But these countries are now, presumably, exporting these and other native products to the full extent of their ability. Either they are selling the goods to U. K., or they are already selling them directly to U. S. or elsewhere for dollars.

To divert more sales to Canada, would either shorten the British food and production rations or it would shorten the length of the Empire's dollar rope. In neither case would there be any new source of dollars tapped, except to the degree that Britain was willing to further tighten its own belt.

Clearly Britain, in her role of the sterling area banker, has been tightening the rein all along the line and attempting to enforce a measure of austerity throughout the sterling area more in line with her own position.

Where might NEW dollars come from?

Probably only from either of two sources: (a) Canadian credits. (b) from ERP dollars.

Assuming that a new or divergent line of policy is not disclosed in the budget speech this week, Canada has resisted attempts so far to increase or extend our own dollar credits. It is argued that we have already overextended ourselves. How literally this is true is a matter of conjecture. What might be argued is that certain defined exceptions could be worked out as in the earlier and much-publicized case of the token imports.

What E R P Aid?

In respect of ERP, it is presently a matter of top-level discussion at Washington what sort of ai' shall be extended to the sterling area—if any.

The British contend that they are being treated unfairly in not being allowed to take credit for surplus dollar earnings from the colonies when making their ERP calculation. At the same time, they are themselves required to carry the load of sterling debits accumulated in the self-governing dominions.

It is contended that there is an item involved here of something

(Continued on page 2, col. 2)

PRICES

Are we near the end of this postwar era of sky-high wheat prices?

British grain experts, taking a look at the situation this week, thought we were.

They argued:

At present prices existing wheat supplies exceed demand;

On the basis of crops already harvested there were many signs the world was moving from a sellers' to a buyers' market.

As a basis for their reasoning they pointed to the fact that after exporting this season 36% more wheat than last season the main exporting countries will still be left with nearly twice as much wheat in stock; a carryover of 11 million tons as against six million tons last year — stocks available for next season beginning July 1.

They foresaw an early end to bread scarcities and rationing and a dismantling of international wheat controls within a few weeks.

There was a reflection of this thinking on the U. S. wheat futures markets where May contracts would come off the board this week.

The Chicago market had shown little movement in the last few weeks. The May contract looked like going off at week end at just about where it stood six weeks ago — around $2.45. In the past

(Continued on page 2, col. 1)

Canadian Firm Will Now Make Special Axles

From Our Own Correspondent

ST. CATHARINES — To help Canadian truckmakers live within their dollar exchange quotas, McKinnon Industries, by arrangement with Eaton Manufacturing, Cleveland, will make the Eaton two-speed axle here. Completion of arrangements for the development was announced this week by T. J. Cook, president and general manager of the local subsidiary of General Motors Corp.

Eaton, large maker of automotive parts and accessories, is among first U. S. manufacturers co-operating in the program of bringing into Canada the fabrication of large automotive units previously produced only in United States.

Eaton shows confidence in Canadian industry by its investment in dies, tools and pattern equipment to get production under way here. Full experience and engineering knowledge of Eaton engineers will be placed at the disposal of the Canadian manufacturer.

Canadian production at present will be confined to axles for trucks of 1½- to 3-ton capacity, available to all Canadian truck manufacturers.

Reciprocal Trade Outlook Darkens

Republican Amendments to U. S. Law Would Kill Benefits for Canada; Propose New Tariff Commission, Independent of Government

BY KENNETH R. WILSON

OTTAWA (Staff)—Prospects, for a far-reaching reciprocal trade deal between Canada and the United States in 1949, are definitely dimmed by last week's action of Republican leaders in the House of Representatives in pouring cold water on renewal of the Reciprocal Trade Agreements Act.

The Act, which expires June 12, is the measure under which the Democratic administration has been cutting back U. S. tariffs since 1934 without taking each deal direct to the floor of Congress. It permitted U. S. officials to make sweeping tariff reductions last summer at Geneva.

Administration officials and a large number of public and trade bodies have been urging at Washington that the Act be renewed for at least a year, until there is a chance to see what sort of government and trade policy emerge after the coming presidential elections. It has been argued that unless this was done, the U. S. economic leadership in Europe and elsewhere (predicated in part on a platform of lower tariff barriers) will be greatly weakened. President Truman and Secretary of State Marshall asked that the Act be renewed unchanged for another three-year period.

Last week, hopes of the U. S. administration and of Canadian trade experts received a setback with passage in the Ways and Means Committee at Washington of a Republican "formula" for renewal of the RTAA.

The formula calls for renewal for only one year. It adds a series of new riders and restrictions, which are thought here to make the proposed bill, if approved in that form, of little value to Canada in negotiating a new reciprocal trade pact with Canada.

Quite possible, if these restrictions are approved, it may be necessary in 1949, for Canada to go direct to Congress with a bilatoral proposition. This would be because we believed RTAA as now proposed to be of little value for our special problems.

There is, of course, no reason why Canada should not take this direct approach at any time. But the highly disturbing question at the moment is the possibility that what happened in the Committee last week may foreshadow a completely new and retrograde attitude on the part of the Republican party toward any further substantial trade concessions.

New Tariff Commission

Main features of the restrictions proposed by the Republicans and agreed to by the Committee include:

1. A new and reorganized Tariff Commission, set up independently of the administration. This Commission to have charge of pre-agreement hearings such as are now the responsibility of the Interdepartmental Committee on Reciprocity Information, and of which the Commission is presently only one of a number of members.

2. It would be the responsibility of this Commission to advise the President secretly how far tariff items on specific items could safely be adjusted. If the President went beyond such limits in negotiating a trade agreement, he would have to send a copy to Congress along with the Tariff Commission's recommendation. Both these would then become public property.

3. Congress would be given 60 days in which to reject such an agreement. If both Houses did not reject it in that period, it would become effective automatically.

4. Agreements which stay within the limits set by the Tariff Commission are not to be subject to Congressional action.

Ottawa observers believe this means that the Republicans, at least those now in majority control in Washington, are now preparing to get back for themselves as much power as possible in the making of tariffs. For nearly 15 years, this power has been very largely (within certain prescribed limits) in the hands of the administration through RTAA.

Another matter of very considerable importance to Canada is the fact that if there is a change in government in the United States in November, almost the entire group of senior officials in the State Department, with whom lengthy tariff discussions and negotiations have been carried on over the past five or 10 years, will step aside. This is common practice in the United States but, because of the unusual length of time a Democratic administration has been in office, the situation has not arisen since the early '30's.

This is in itself important, because it means that there must necessarily be an elapsed time of many months after the November elections before any negotiations can begin.

Inside News

What's in the Budget?

What does Finance Minister Abbott's budget mean to the average Canadian, and to business in general? The Financial Post analyzes the tax changes and shows whom they will affect, and how; also publishes the text of the changes and figures which highlighted the budget speech (pages 2, 3, 5, 7, 26.

Charitable Foundations

What is a charitable foundation? How does it affect the succession duties on an estate? How is it administered? The Financial Post gives the answers to these questions, raised by the recent death of a prominent Toronto newspaper publisher, and the disposal made of his papers (p. 25).

Loan Companies Thrive

Canadian trust and loan companies enjoyed a record year's business in 1947, and expect to reach an even higher peak this year. Mortgage holdings of such institutions increased by $70 millions last year, with 72% of lending going to finance home building. The Financial Post reviews this important facet of the nation's economic picture (p 17 to 21).

U. K. Picture 'Appalling'

How is Britain faring under Socialism? The Financial Post's editor, Ronald A. McEachern, reports that the foundations of U. K. economy have been blasted; analyzes what "repair work" will be done, and discusses whether it will stand up under changing world conditions (p 17).

Too Much Vote-Bidding?

There is too much "pie in the sky" in present-day political platform, in the opinion of a majority of Canadians answering a Financial Post questionnaire. They offer interesting suggestions as to means of discouraging elaborate pre-election promises (p. 15).

Watch Retail Credit!

If you don't tighten up on credit, and check your inventories, you may soon be doing business with the bailiff. This word of warning to small retailers, is passed on via The Financial Post, by a number of supply houses. Statistics on business failures help to emphasize the warning (p. 11).

Socialism Splits Socialists

Nationalization problems are splitting Britain's Socialist ranks wider daily. Sir Charles Reid, director of the Coal Board, has termed nationalization of mines "a disastrous failure"; and at least half the Attlee cabinet is reported opposed to nationalization of steel. London Calling, by Adelphi (p. 32).

	Page
Banking News	25
Insurance News	26
Labor Roundup	10
Mine Development	30
Provincial Roundup	14
What's New in Business	16
You Asked Us	23

THE NATION'S BUSINESS

Cut Debt Not Taxes Argues Mr. Abbott

It was a stiff dose of economic realism which Mr. Abbott handed to Canadians this week. In the face of tax revenues which last year netted a record surplus of $670 millions, the tax cuts announced for 1948-49 are almost negligible.

Aside from some commendable relief in income tax to persons of retiring age and in succession duties, there is little direct reduction. At most it will amount to $60 to $70 millions. And of that a large part is due to the reduction in textile tariffs aimed to help British cotton and rayon goods to enter the Canadian market at competitive prices.

Put simply the Government expects to collect this year in taxes and other revenues the vast sum of $2,664 millions, or only $200 millions less than the intake of the previous year.

Estimated expenditures are virtually unchanged at $2,175 millions against $2,199 millions spent in the year just ended.

This leaves an estimated surplus of $489 millions for the tax year now commencing as compared with the current surplus of $670 millions.

Mr. Abbott argues that "we could not allow our budgetary surplus to be reduced much further without running the risk that the Government's financial operations this year might have an inflationary rather than anti-inflationary effect." In other words, says the Finance Minister, a substantial reduction in taxation at this time of still scarce goods and still rising prices would be inflationary. With that view reasonable citizens will not be inclined to quarrel, provided it is modified as the danger of inflation recedes.

Now Is Time to Cut Debt—

The constructive side of this realistic budget is a welcome and substantial reduction in the public debt. Says Mr. Abbott:

"There will never be a better time to reduce the burden of our national debt. We can do it now without hardship and thereby get ourselves in better position to bear the extra burdens we may have to assume when our national income becomes less buoyant or other untoward developments occur . . . . On the taxation side our policy has been to reduce our taxes where they were impeding work and production, but otherwise to keep them as high as is reasonably practicable."

The reasonable citizen must agree.

If debts of governments and private individuals are ever to be paid, the time to do that is now when income is high. Mr. Abbott follows this sound policy in his present budget. The real test will be whether he continues to follow that policy in the next election year.

Mr. Abbott also points out that we may have to face increases in defense expenditures in view of the "very great uncertainties in international affairs." This, in the Abbott view, requires some "margin of safety" and supports the wisdom of a substantial surplus during this critical period.

and Government Spending, Too

Against this stern but commendable nonpolitical approach to Canada's fiscal and economic problem, Mr. Abbott reports little progress in one very big phase of public finance: reduction in the cost of government. "We have striven to bring expenditures down and to keep them down," he states; but in the next breath he announces general expenditures of a level almost unchanged from a year ago. And he warns that there may be heavy additional expenditures to be announced later in the year, and that there won't be the same leeway as last year in certain government departments not spending their full commitments.

Canadians who believe they are paying too heavy taxes may properly ask what is being done at Ottawa toward an intelligent and courageous attack on the vast mushrooming octopus of government expenditure and activity.

If Mr. Abbott has shown as much courage in this direction as he has in maintaining unpopular tax rates, he gives little evidence of it in his budget.

Straining Our Capacity?

The new figures reported by Mr. Abbott on over-all economic activity in Canada are striking. He puts gross national spending in Canada in 1947 at the record-breaking figure of $13.2 billions. This compares with $11.6 billions in 1946 and $5.6 billions in 1939.

Much of this expansion he attributes directly to the phenomenally high level of capital spending on new construction, industrial plant and equipment. This is described as an endeavor "to do too much too quickly" and as "straining our economic capacity."

Also it is blamed as one of the main forces behind our huge volume of imports. Mr. Abbott suggests that it is this "bidding against each other for a highly limited supply of construction labor and materials" which is having a persistent upward pressure on prices.

In the Government's mind when framing a Spartan fare of meagre tax reductions for 1948-49, there is, however, one important area where greater capital expansion is wanted, the expansion of Canadian mining.

Thus the major change in tariff (apart from the textile reductions) is the removal or lowering of a number of tariff rates against mining machinery and equipment.

How significant these will be in actual application remains to be seen. But it is indicated that this is one area where the Government sees the prospect of substantial growth and some measure of future assistance for our dollar dilemma.

How Trinidad Leaseholds Saves U.S. Dollars on Oil

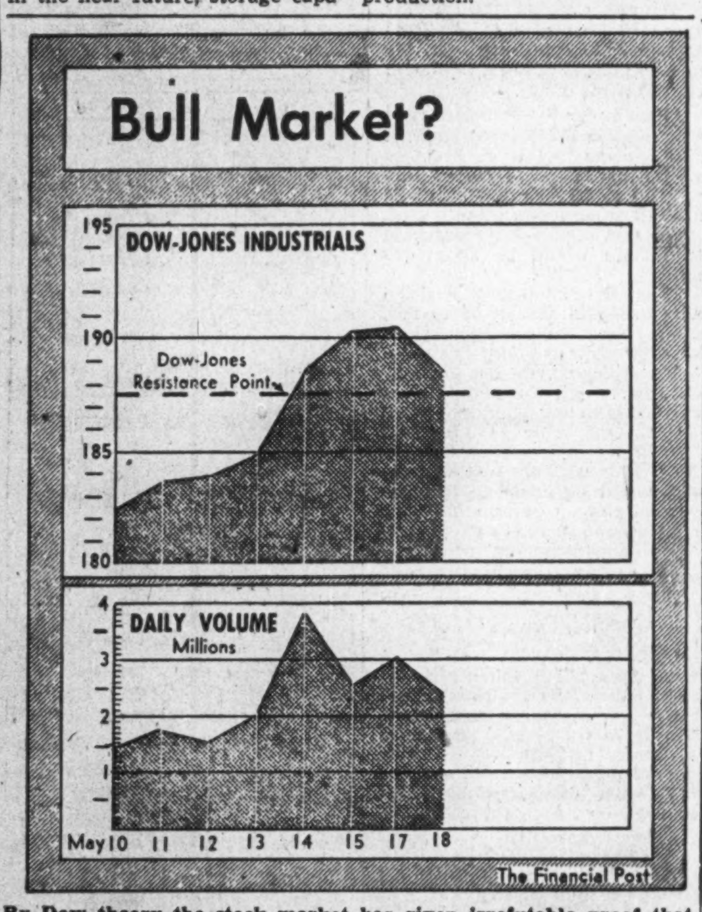
By importing all its crude petroleum from a sterling area—Trinidad, B.W.I.—Trinidad Leaseholds (Canada) Ltd. (formerly Good Rich Refining Co.) is effecting a saving in U. S. dollars running well into the millions, a company official informs The Financial Post.

Through its association with Trinidad Leaseholds Ltd.—largest oil producer in the British Empire—the Port Credit refining and marketing company is assured of an adequate supply of crude oil to meet its expanding requirements.

Since acquisition of the former Good Rich Refining Co. in late 1946 a sizeable expansion program has been under way. Refinery capacity has been substantially increased and when completed, in the near future, storage capacity will have been boosted by 50%. Retail outlets have been doubled and sales have shown a steady rise and are now running about 22% ahead of the late 1946 figure. Dollars for the expansion program are being supplied from the increased earnings of the Canadian operations, it is stated.

"With the continuing high demand for products throughout the world oil producers are faced with a very heavy task of meeting requirements," S. J. Vos, commercial director of Trinidad Leaseholds Ltd., says. "This position looks as if it will last for at least another three to five years."

The original company, Good Rich Refining Co., brought in all its crude oil from the U. S. In 1943 total sales amounted to approximately 39 million gallons. Figures are not available on later production.



By Dow theory the stock market has given irrefutable proof that we are in a full-fledged bull market. By convincingly penetrating the old 1947 resistance point of 186.85 the Dow-Jones industrial average confirmed the earlier indication of the railroad average that a bull market has been in effect since May, 1947. Volume of trading was the largest for a single day since May 21, 1940. The technical significance of the break-through alone brought in a wave of buying strength. Canadian industrials, advancing sharply in line with New York, touched their highest levels since September, 1946. Big question now "Where will the market go from here?" The apparent ease with which large-scale profit-taking is being absorbed has led many analysts to believe that the top levels of the current move have not yet been reached.

Newsprint Output Up Again See 4.4 Million-ton Year

Canadian newsprint production continues to increase. In April, output totaled 385,606 tons, which brought the four-month total to 1,489,560 tons. This is an increase of 2.5% over last year and is the more remarkable when compared with U. S. production, which is down 5.1% and Newfoundland, down 7.4%.

April appears to have been the best month for the industry so far this year. For the first time in 1948, mills operated at more than rated capacity . . . 102.3%. This likely reflects improvement in the power supply, which was restricted in some parts of Quebec and Ontario earlier in the year due to low water levels. On the basis of the first four months' production, it appears that the industry will have another 4.4-million-ton year in 1948.

While Canadian production is up, the increase is far from sufficient to offset the decline in U.S. and Newfoundland production. Putting production of the three countries on an estimated yearly basis, it means that Newfoundland is about 30,973 tons below last year, United States down about 53,429 tons. But Canadian production is only up about 21,891 tons annually. Another acute shortage is being averted, however, by the substantial increase in U. S. newsprint imports from Europe. On an estimated annual basis, here is how the situation stands in 1948 compared with 1947:

	actual 1947	1948
Canadian production	4,446,789	4,468,680
Newfoundland production	373,375	342,402
United States production	825,554	772,125
	5,645,718	5,583,207
European imports	128,936	223,264
	5,774,654	5,806,471

On this basis, it appears that the indicated total increase in North American supply will be only 31,817 tons, even with greatly increased imports from Europe. European shipments over the balance of the year may be greater than those of the first four months; at present, however, it looks as though there will be little surplus newsprint offered this year unless Newfoundland or U. S. mills step up production considerably.

* * *

While U. S. newsprint output has decreased this year, production of other papers and boards is up. A record monthly production of 1,950,000 tons in March brought the first quarter's production of paper and paperboard to 5,515,000 tons—an annual rate of over 22 million tons. It is said that if production is maintained at that rate, last year's record production will be exceeded by a million tons or more.

Helping to make this production, is Canadian woodpulp. For the first two months of 1948, about 57% of U. S. imports of woodpulp came from Canada. Following are the import figures by grades for the first three months:

	tons
Sulphite	
Rayon and special	55,825
Other bleached	58,682
Unbleached	111,063
Sulphate	
Bleached	50,373
Unbleached	38,169
Soda	6,220
Groundwood	60,210
Screenings	3,821

Weather Delays Alberta Seeding

From Our Own Correspondent

CALGARY — According to the Alberta Wheat Pool, only three per cent of the province's acreage had been seeded with wheat by the middle of May, whereas normally, 53% is seeded by May 8.

Lateness of seeding was causing considerable anxiety to Alberta farmers and several days of good weather are required before the land dries sufficiently to permit work to commence in the central and northern districts of the province. In some districts (west central) seeding is not expected to start until about May 24.

Dollars Available Well in Advance For U.S. Holiday

Heading south for your vacation? Here's a travel tip.

It may be you'll need part of your annual ration of $150 (U. S.) in advance, so you can place deposits to hold hotel reservations, theatre tickets, concert tickets and other arrangements which must be made weeks or months in advance.

Even though you're not supposed to apply for U. S. currency under the H. Form more than two weeks before departure, the Foreign Exchange Control Board has nevertheless provided a method whereby such deposits can be legally made earlier than that. Technically it's known as "FECB Form 229-47."

In conjunction with an authorized Travel Agent (already supplied with copies), you sign Form 299. It is sent to Ottawa where it is checked to make sure you haven't already had your quota of U. S. dollars for pleasure travel during the stipulated year. With FECB approval, the form comes back to the Travel Agent. With it, the agent gets the necessary U. S. dollars to forward on your behalf. The amount is deducted from your $150 travel ration ($100 for each child) later, when you apply in the regular manner for U. S. currency.

Pace of Business

Stock markets in Canada and U. S. held bulk of recent gains n profit taking this week. Despite slightly reactionary tendency, many industrial issues sold at new highs. Most Dow theorists anticipate early upturn in market again following recent penetration of 186.85 N. Y. Dow-Jones industrial average resistance point.

Concrete building materials showed a sharp improvement in March over levels a year ago. Output of hollow blocks was more than double at 1,718,837 while cinder block output rose almost 50% to 631,199.

Steel production totaled 254,315 tons in April (275,349 in March, 244,998 in April, 1947).

Stocks of vegetables generally lower on May 1 than year earlier. Stocks with comparative 1947 figures in brackets, follow: potatoes—103,438 tons (150,890); onions—469 tons (1,989); beets—93 tons (190); carrots—427 tons (1,891); and cabbages—150 tons (384).

Car loadings advanced to 75,332 cars the week ended May 8 (74,354 the preceding week, 76,754 same 1947 week).

Wheat acreage seeded in 1948 will show a decline of 2% or a half million acres, DBS survey of "acreage intentions" says. But increase of no less than 722,000 acres to be seeded to oats anticipated. Rye seedings expected to gain 386,000 acres while rise in flaxseed is given at 130,000 acres.

Nails produced amounted to 7,190 tons in March (6,609 in March, 1947). Wire fencing output remained almost unchanged at 2,254 tons.

Wholesale sales for March showed 3% gain in dollar volume over March, 1947, and 10% increase over February, 1948. Sales of tobacco and confectionery wholesalers showed largest gain (19%).

Butter stocks showed first improvement since last fall in week ended May 14, DBS reports. Stocks in nine cities: 1,651,777 lb. (1,555,802 lb. on May 1).

Simpson's Mail Order Expansion Need Studied

Preliminary study is being given by Simpson's big department store to needed major expansion of its already huge Toronto mail order building—11 stories over almost a downtown block.

Decision for or against preparation now of detail plans is scheduled for early June.

EATON'S

Fine English Shoes

Men! if you have ever owned a pair of English shoes, you will know what we mean by "comfort-built". English designers are renowned for their skill in combining sturdiness and smart appearance with correct fitting . . . making English footwear a favourite everywhere. Somewhere in EATON'S wide assortment, whether you seek a Blucher, brogue, semi-brogue or Balmoral . . . you'll find the shoe made for you.

EATON'S

Blenkhorn & Sawle New Firm In Electric Apparatus Field

ST. CATHARINES, Ont. — Organized recently and now in active operation as tenant of part of the St. Catharines Steel Prcducts plant here, Blenkhorn & Sawle Ltd., reports plans to manufacture electrical equipment at an early date.

The firm, headed by H. C. Blenkhorn and Ross T. Sawle, meanwhile is functioning as consulting engineer and distributor for industrial electrical apparatus, lighting and public utility systems. As well, it offers motor rewinding, repair and welding services. Installation of apparatus, lighting, public address and communication systems will round out Blenkhorn & Sawle's services.

Both men are graduate electrical engineers with extensive experience in the Canadian electrical engineering and apparatus field.

Announcing formation of the company and installation of equipment, Mr. Blenkhorn said the firm had completed arrangements which will result in Dominion-wide affiliations. He said the operation would be on a scale "benefiting St. Catharines' expanding industrial status, particularly in the electrical field which for over 20 years has been one of the major local industries."

MR. BLENKHORN

Correlated electrical and allied services provided by one firm would represent an entirely new industrial development for the area, Mr. Blenkhorn added.

Both men are members of the Ontario Association of Professional Engineers and Engineering Institute of Canada, among other technical societies.

New Book on Money Matters Said Helpful Guide For All

Terming it "the only book of its kind and one that will be of direct money benefit to every reader," the Investment Dealers' Association of Canada this week announces that it has adopted "Putting Your Dollars to Work" for use in its training courses.

Published this week by Oxford University Press at $3 and written by Ronald A. McEachern, editor of The Financial Post, this book is designed "for people who have saved some money, are trying to, or hope to. Basically, it is a book on how to buy bonds and stocks safely and profitably."

A few of the themes dealt with are:

Why some bonds aren't safe. What determines the price of a stock. When is a security price attractive. How to profit from the figures in company reports. Legal and other protections for your money. How professional investors operate. What the Bank of Canada does and how. The place of other financial institutions, banks, life insurance companies, etc. in doing the nation's business.

According to the publisher: "This is the only book of its kind. Nowhere else in one easy-to-understand volume will you get such a comprehensive outline of what you need to know about money. Set down here in simple form are the facts which any saver of money wants to know, or have readily available, about the workings of our economic system, about the various types of financial institutions and how they complement each other.

"Because government policies and departments deeply affect the individual and his savings, several chapters show what is being done and why, and tell what to watch for."

In the Investment Dealers' Association announcement, J. A. Gairdner, president said: "We've been looking for just such a book for people who want to learn about the financial business. Until now no such book was available. In simple language and in a most interesting way, it covers the whole range of topics on which the investor needs to be well informed. It will be of direct money benefit to every reader."

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Advertising and Sales Executives Club of Montreal—Harry E. Smith, president; K. C. Baker, Glen Mackay, Lloyd Kenney, vice-presidents.

Blenkhorn & Sawle Ltd. (St. Catharines) — H. C. Blenkhorn, president; Ross T. Sawle, secretary-treasurer.

Canadian National Railways — Lloyd G. Stirling, assistant superintendent, Moncton division; H. L. Black, signal engineer (Montreal).

Canadian Pacific Express Co. — K. H. Newinger, general agent, Winnipeg.

Canadian Importers & Traders Association — Geo. M. Watson, vice-president; R. B. Warwick, vice-president, and chairman, Montreal Branch.

Corning Glass Works of Canada (Leaside) — John Carter, vice-president and director.

Canadian Opinion Co. — Walter J. Cox, director, sales and marketing division.

Canadian Industrial Trainers' Association — Wallace Wilson, president.

Canadian Broadcasting Corp. — Ronald C. Fraser, supervisor, press and information service.

Canadian Feed Manufacturers Association (Alberta Division) — F. B. Robertson (Edmonton) president.

Canada Life Assurance Co. — Ralph F. Mindell, supervisor, Winnipeg branch.

Continental Can Co. of Canada (Montreal)—H. A. Rapelye, vice-president and general manager.

Canadian Association of Equipment Distributors—D. G. Macpherson (Montreal), president.

Colonial Tool Co. (Windsor) — Stanley Wallace, field service manager.

Dominion Rubber Co. — Alan R. Clark, sales manager, rubber chemicals, Naugatuck division.

Dominion Government—R. Campbell Smith, commercial secretary, foreign trade service, St. John's, Nfld.; D. W. Jackson, assistant commercial secretary, Canadian Embassy, Washington.

Elizabeth Arden of Canada Ltd. —Daniel W. McManus, sales manager.

English Electric Co. of Canada —I. S. Patterson, manager, central station sales (St. Catharines); D. C. Brooking, district manager, Winnipeg.

Imperial Oil Ltd.—W. C. Garbutt, manager, British Columbia division; J. G. Dunlop, manager, Ontario marketing division.

International Detrola Corp. (Detroit)—Dan Roberyson (Brantford), general manager, Universal Cooler Division (Marion, Ohio).

Junior Investment Dealers Association (Montreal Branch) — John A. S. Penny, president; Jean Paul Guite, vice-president.

Montreal Stock Exchange — Jacques Forget, chairman; F. J. Vincent, vice-chairman; D. C. McEachran, secretary-treasurer; A. E. Chilcott, a member.

Mayflower Warehousemen's Association — Harry Johnston (Vancouver) vice-president.

New Brunswick Museum — Howard P. Robinson (Saint John) president; Mr. Justice W. H. Harrison, Dr. A. W. Trueman, vice-presidents.

National Research Council — Ignace Bronillet (Montreal), a member.

Ontario Medical Association—Dr. J. E. Carson (Brantford) president; Dr. H. D. Logan (Lindsay), council chairman; Dr. Carl E. Hill (Lansing) honorary treasurer.

Paradis & Sons Ltd. (Montreal) —Alfred Paradis, Jr., president; R. B. Rolland, vice-president and secretary-treasurer.

Purchasing Agents' Association of British Columbia—Alex Dunbar, president.

Quebec Society for Protection of Plants — I. L. Conners, president; J. B. Maltais, vice-president.

R. McDougall Co. (Galt) — Frank Thompson, vice-president and managing director.

Rubberset Co. — G. R. Dickson, division manager, Vancouver.

Retail Merchants Association of Canada — S. A. Boswell (Hamilton) president; Geo. Whittic (Prince Albert) vice-president; A. G. Frame (Toronto secretary-treasurer.

Sherwin Williams Co. of Canada —Lee Phillips, assistant manager, western district (Winnipeg).

St. Thomas Metal Signs Co. — Merton R. Crawford, Norman W. Crawford, Quebec sales representatives.

Stewart - Lovick & Macpherson Ltd.—Laurie A. Mainster, account executive, Winnipeg office.

Security Storage Co. (Winnipeg) —W. A. Johnston, vice-president and secretary.

Sun Life Assurance Co. — G. Egerton Brown, personnel executive; R. A. Taylor, comptroller.

Society of Industrial and Cost Accountants of Quebec—M. H. Bacon, chairman, Montreal chapter.

Trans-Canada Air Lines — Watson C. Turner, cargo sales supervisor, western region.

University of Manitoba — Prof. A. H. S. Gillson (Montreal) president.

Universal Cooler Co. of Canada (Brantford)—Howard Gray, general manager.

Waterloo Mutual Fire Insurance Co.—Walter J. McGibbon, a director.

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Simpson's TORONTO

THE STORE FOR MEN . . .

Street Floor

PRICES

(Continued from page 1)

week's trading it had shaded up to $2.47.

In commodities the trend up till Monday's close was slightly up in all major items except hides —which closed Monday at $27.20 on the June contract.

On the food front at home:

Beef prices continue high and there's little prospect of an early break as cattle supplies continue light and at high prices. Midweek on the Toronto cattle market weighty steers were fetching (at $18 - $19.75) 50c - $1 a cwt. more than a week ago.

Butcher steers were up $1 at $16.50 — $18.60 as compared with $15.50 — $18.50 a week ago.

Little decline from present prices (to the consumer around 60c a lb. for round roast, or 25% and more better than in February) can be expected till July when grass-fed cattle will be reappearing.

Fresh vegetables were showing some declines on the Toronto wholesale market as supplies became more plentiful.

Cabbage from U. S. at midweek had taken another drop; was offered at $2 - $2.25 per 50-lb. bag ($2.50 - $2.75 a week ago).

Chilean Spanish Onions were down from last week's $5.50 - $6 to $4.50 - $4.75.

Spinach was down from $3.50 - $4 a bushel to $3 - $3.50.

Radish was down from 50c - 60c to 40c - 60c.

Rhubarb fell off from 60c - 75c to 40c - 50c.

Hardware items continue to rise weekly, reports Hardware and Metal (Maclean-Hunter).

Wholesalers continue to report a fairly steady number of increases every week. Latest cover mop heads, soldering copper, some hacksaw frames and gasoline torches, lace leather, curtain and sash rods.

New increases are also reported by the aluminum trade and in several steel products.

In the West, the trade is anticipating a rise in price of black and galvanized sheets in the near future and many other advances in tools, general hardware lines and steel products as effect of freight increases are finally assessed.

And — bad news for sportsmen —ammunition has gone up; about 5% on metallic cartridges and 10% on short shells.

The Parliamentary Prices Committee which now has been sitting for nearly 14 weeks was shifting its attention to textiles and this phase of its probe threatened to be the lengthiest of all.

Export Barriers Being Raised?

(Continued from page 1)

like $300 millions during the first 12 months of ERP. This is said to be the drain of dollars in the sterling area which the British feel should properly be carried in the ERP program. If the British were to make any headway in establishing this point, there might be some prospect of relief for Canadian exporters.

One specific way in which additional ERP aid might be directed to the support of the sterling area would be for the U. S. authorities to permit an item like Australian wool to be bought with ERP dollars and the wool in turn be then given to the U. K.

This gets back to the basic and far-reaching argument now going on in Washington as to the present and ultimate future of the sterling area — not only immediately in respect of ERP but ultimately in the whole scheme of world recovery and rehabilitation.

Typical figures of what is happening to Canada's Empire trade in the first quarter of 1948 compared with the same period last year follows:

CANADA'S FIRST QUARTER TRADE WITH EMPIRE COUNTRIES

	1948 1st Quarter Exp.	1948 1st Quarter Imp.	1947 1st Quarter Exp.	1947 1st Quarter Imp.
B.W.I.	16.0	5.0	16.0	3.5
Aust.	7.3	2.5	13.3	3.4
N.Z.	3.9	2.0	4.2	3.6
S.A.	14.7	4.6	22.2	4.0
India†	4.0	8.1	6.6	10.2
	45.9	21.2	62.3	24.7

†Includes Pakistan.

What Ottawa Collected

(Thousands of Dollars)

	1947-48	%	Change from 1946-47
Direct taxes—			
Individual income tax	659,828	23.00	— 34,702
Corporation income tax	364,131	12.69	+125,339
Excess profits tax	227,030	7.91	—221,668
Other direct taxes	66,717	2.32	+ 13,005
Total direct taxes	1,317,706	45.92	—118,026
Indirect taxes—			
Customs duties	293,012	10.21	+ 55,657
Excise duties	196,794	6.86	+ 750
Excise taxes	640,758	22.33	+ 61,734
Other indirect taxes	3,761	0.13	— 5,945
Total indirect taxes	1,134,325	39.53	+112,196
Nontax Revenues—			
Post office	77,758	2.71	+ 4,780
Return on investments	75,800	2.64	+ 6,361
Other nontax revenues	24,630	0.86	+ 6,177
Total nontax revenues	178,188	6.21	+ 17,318
Special receipts and credits	239,190	8.34	—180,155
TOTAL REVENUE	2,869,409	100.00	—168,667
Less estimated amount of refundable income and excess profits taxes	......	.....	+ 30,200
NET TOTAL REVENUE	2,869,409	100.00	—138,467

What We Spent in 1947-48

(Thousands of Dollars)

	1947-48 Ordinary Expenditures	1947-48 Demob. and Reconversion Expenditures	1947-48 Total	%	Change in Total from 1946-47
Public debt charges	466,422	8	466,430	21.21	— 10,386
Subsidies and payments to provinces	155,891	....	155,891	7.09	+ 47,128
Family Allowances	263,165	....	263,165	11.97	+ 18,024
Old Age Pensions, pensions for blind	58,090	997	59,087	2.68	+ 13,642
Unemployment Insurance Act	35,124	....	35,124	1.60	+ 1,198
Veterans Benefits Pensions, etc.	96,219	230,325	326,544	14.85	—265,186
Agricultural subsidies, etc.	......	33,313	33,313	1.51	— 37,803
WPTB and subsidies related to price control	....	57,560	57,560	2.62	— 69,956
National Defence	637	194,553	195,190	8.87	—192,421
Reconstruction and supply	12,087	63,235	75,322	3.42	— 63,750
Other ordinary and demobilization and reconversion expenditures	294,910	54,677	349,587	15.89	+ 25,690
Total	1,382,545	634,668	2,017,213	91.71	—533,820
Capital expenditure			16,461	0.75	+ 5,261
Special expenditure			63,540	2.89	+ 31,614
Government owned enterprises			18,697	0.85	+ 8,015
Other charges			83,540	3.80	+ 54,154
GRAND TOTAL EXPENDITURES			2,199,451	100.00	—434,776

Mounties May Have Beer (in ad) But They Refuse to Get Worm

OTTAWA (Staff) — Canada's Mounties make pretty good fellows of themselves co-operating with photographers, amateur and professional, but not long ago they drew the line at appearing in advertisements of a worm powder manufacturer. He wanted to show a Mountie standing over a hole in the ground with the caption that this powder "always gets the worm" the way the Mounties always get their man.

Until the voluble Arthur Smith, MP for Calgary West, raised his hullabaloo over the Mountie drinking beer in the U. S. magazine ads, the Mounties have been very agreeable in permitting "all reasonable" requests to reproduce their pictures as required by a section of the RCMP Act.

It now seems unlikely that anything officially will be done about the Smith complaint. The U. S. beer manufacturer has an enormous investment in material prepared for his national advertising campaign and much of it shows a Mountie holding a beer, which, according to Smith, is likely to "traduce the reputation of the RCMP."

It is very doubtful if the Canadian Government could do much about the ads in any case. The RCMP Act which prohibits the reproduction of Mountie insignia without permission applies only in Canada.

The brewery that offends Mr. Smith is Drewry of South Bend. Its Mr. Moritz has said that the firm "will certainly take into consideration the attitude of the Canadians."

He thinks he came by the Mountie theme for his advertising very honestly. Some years ago the South Bend brewery was connected with Drewry's of Winnipeg. The connection was finally severed, but the South Bend firm got the right to use the Winnipeg firm's name, label, etc., and the label features a Mountie in scarlet jacket with a glass in one hand, a bottle in the other, and a horse standing at his shoulder. It also carries the slogan, "Canada's Prize Brand since 1877."

Here many are sniffing at the Smith tempest. The fusspots argue that the situation is terrible because Mounties are not permitted to drink anything alcoholic while on duty or in uniform. For that reason, the label was long since dropped for use in Canada.

"Aw nuts," said a Mountie, queried on this momentous matter. "Maybe he was just going to give it to the horse."

Will UK Reduce Bacon Buying To Treaty Limit?

OTTAWA (Staff) — In the first 20 weeks of 1948, Canada has already filled about 60% of the minimum contract figure for bacon shipments to U. K. Total shipments to date have been 115 million pounds out of a minimum commitments of 195.

Allowing for light summer runs and reduced fall slaughterings, it still appears that if U. K. takes all the bacon Canada offers, she will be 55 or 60 million pounds above her minimum commitment.

The cost of this extra purchase to Britain would be about $20 million.

Thus the important decision which Britain will have to face some time this summer, is whether she can afford this extra dollar outlay or whether to notify Canada to cut back the bacon shipments to the stated minimum.

Until some further light is thrown on British grants under ERP it is unlikely that any decision will be made on this important point. (See separate story elsewhere in this issue.)

May Reorganize Transport Board

OTTAWA (Staff) — Latest word here about the controversial matter of freight rates is that the Government's present intention is to completely reorganize the Board of Transport Commissioners prior to a full-dress investigation of differentials, inequities, etc., in the present national rate structure.

Once this reorganization is completed, the new board would be charged with conducting an exhaustive probe rather than setting up a special Royal Commission. Meanwhile there would be no interference with the recent 21% increase.

Under the mooted reorganization, Chairman J. A. Cross, K.C., is expected to retire. One or two additional retirements may also occur.

The board would then be reorganized under a new chairman and with representation not only from every part of Canada but also from the Railway Brotherhoods themselves.

Massey-Harris President Puts Accent on Speed

Indicative of Canada's expanding trade and the quickening tempo of business is the recent 40,000-mile air trip of Massey-Harris president, J. S. Duncan.

During a 12-working-day recess from his Toronto office Mr. Duncan flew to California where he completed negotiations for acquisition of a large U. S. disc plant, then hopped the Pacific to Australia where he inspected operations of the associated company, H. B. McKay Massey-Harris Proprietary Ltd. He returned to his desk on May 15.

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May 22, 1948

REGULAR FEATURES

Adelphi	32	Mining	30, 31
Banking	25	Others Say	6
Editorials	6	Post Scripts	6
Grain	26	Prov. Roundup	14
Insurance	24	The Question	15
Investments	4, 5	Quotations	28
Labor Roundup	19	What's New	15
Market C'ment.	29	You Asked Us	23

INVESTMENTS

Bird Construct.	32	N. S. Lt. H. P.	16
Bell Telephone	13	Quebec Power	31
C. Crush. Stone	31	Saguenay Pwr.	24
Canadair Ltd.	27	So. Can. Pwr.	4
Eastern Theat.	22	Silknit Ltd.	4
Economic Inves.	32	C. H. Smith	24
Garage Supply	11	St. Cath. Steel	27
Gurney Fdry.	32	C. H. Smith	26
H. H. Robertson	13	Saguenay Pwr.	26
Inter. Paper	4	Tip Top Tailors	10
Ind. Accept.	11	Traders Finance	14
Inter-City Bak.	16	Tuckett Tob.	23
McColl-Front.	24	Yarmouth Bldg.	22

MINES AND OILS

Amer. Y'knife	30	Golden Manitou	29
Argonaut Y'nfe	30	Heath Gold Mines	3
Arjon Gold	23	Int. Nickel	30
Base Metals	30	Leitch Gold	30
Canada Silica	31	Lowery Petrol.	29
Can. Malartic	30	Man. Quartzite	31
Cheskirk M.	26	Matachewan	30
Coniaurum M.	31	Mindus Mica	31
Dom. Magnes'm	31	Murmac L. A.	30
Discovery Y'nfe	31	Powell Rouyn	24
Dickenson R. L.	31	Quebec Labra.	30
Donalda Mines	31	Sherritt Gordon	30
Dulama Gold	30	Siscoe Gold	30
Elder Mines	31	Shell Explor.	30
Eldona Gold	31	Sladen Malartic	32
Gulf Lead	30	United Keno	30
Gunnar. Gold	30	United Asbestos	30

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482

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ATTENTION! Motion Picture Industry and Organizations using Motion Pictures for Advertising, Sales Promotion or Employee Training. Young man, 31, single, with electro-technical and office management training and experience, presently employed as office manager, desires position in the motion picture field or in one of its affiliated branches. Is keenly interested in this line of work and has had some experience in same. Present employer knows of this ad. Available latter part of June. Free to locate any place or travel. Write with confidence to Box 251, The Financial Post, Toronto 2.

POSITIONS AVAILABLE

FIRM OF CHARTERED ACCOUNTANTS in Toronto has opening for recent graduate. Prospects for advancement good. Applicants are requested to state age, qualifications, experience and salary required. Applications will be treated in confidence. Box 242, The Financial Post, Toronto.

SECURITY SALESMAN wanted to underwrite a new industrial issue, opportunity for permanency in the company, replies confidential. Box 257, The Financial Post, Toronto 2, Ontario.

AGENCIES WANTED

ADDITIONAL AGENCIES WANTED

AGGRESSIVE new sales agency, covering Lakehead to Vancouver, desires additional lines (auto accessories). Representative will be in East during June. General Sales Agency, 33-626 Wardlaw Ave., Winnipeg, Man.

AGENCIES WANTED

WELL-CONNECTED Eastern Quebec selling organization wishes to secure distributing on additional lines of household appliances. Best of references. Box No. 267, The Financial Post, Toronto 2.

REAL ESTATE

STORES FOR RENT on the main street in Chatham, Ontario, steam-heated, good location, for information apply Box 264, The Financial Post, Toronto 2, stating kind of business.

OLD ESTABLISHED manufacturing company, Winnipeg, for sale, $150,000. Winding up Estate. Present manager may remain. Box 266, The Financial Post, Toronto 2, Ontario.

Abbott's Anti-inflation Budget Makes Sober Reading

25% Excise Tax Stays On Commons Reception Cold

[illegible] (Staff) — When a very sober-faced Douglas Abbott rose in his place in the Commons this week, he read into the record almost precisely the sort of budget modern diagnosticians would prescribe for Canada's present economic position, her plight and her prospects.

It was the kind of budget with which, in general, men of wise counsel could not quarrel.

There wasn't a kind word for kiddies' candy, for soft drinks or any of the little things of life which now carry so heavy a burden of taxation. Nor was there more than a meagre flash of remorse about the bitterly assailed 25% excise taxes. Only alarm clocks and silverware got relief.

As for political considerations, they didn't cut more than five cents worth of ice with a government that quite clearly doesn't intend to go to the country until 1949.

This was all sharply emphasized by the cold reception which the sobre, spartan pronouncements received in the Commons.

With the exception of income tax relief for persons over 65, there was hardly a ripple of applause—even from Liberal supporters, much less from the public gallery. This was in sharp contrast with the enthusiasm which greeted the 30% income tax cuts of a year ago.

Though there may be big bouquets in heaven or at some future date for a Finance Minister who plays no favorites and sticks strictly to his basic policies, he won't win any popularity contests.

It doesn't make for public acclaim to pronounce that "The general policy for this year should be to use our surplus to reduce debt and thereby fight inflation in the manner most suited to our type of government and our way of life."

Preferential Tariff

The major surprise in the Abbott report was the complete suspension of the preferential tariffs on cotton and rayon piece goods until July 1, 1949. The original intention had been to suspend these only until April 1, but at the last moment the government decided to give the British three months more grace to get back into the Canadian market.

Sole reason for this important move was the government's facing up to the fact that the British are currently making a very poor fist of selling their cotton and rayon goods in Canada. British prices are too high and the early target of 150 million yards has been scaled down first to 100 and now to 80 million. As things have been going in recent weeks, there didn't seem to be any reasonable hope of even that volume being bought. Now, with a cost break of probably 15%, it will be interesting to see what happens. As indicated in the Abbott speech, the British have undertaken to see that the reduction is passed on to Canadian buyers.

Just what this suspension portends eventually in respect of over-all government policy on textiles is hard to conjecture. Because of its Geneva commitments, the government was forced to make corresponding cuts in all U. S. tariffs (Geneva provided that no preferential margin could be increased). This means the lowest rates against U. S. products in Canadian history. Almost the only barrier to U. S. imports is now the dollar quota which is currently 32% of last year's imports. In so far as imports can be made within this restriction, Canadian consumers stand to gain substantially.

Gold, Dollar Position

One important item of news was the most recent figure of Canada's official holdings of gold and U. S. dollars. Mr. Abbott warned that after this week he was again going to drop the curtain and revert to former policy of not talking about this super-secret figure. But he did disclose that at the end of April we had upped our reserves to $668 millions—compared with the 1947 low of $461 millions on December 17.

This jump of $207 millions includes $80 millions borrowed from the Export-Import bank. Therefore the real gain is $127 millions. And even that, said Mr. Abbott, includes some special and nonrecurring receipts.

Anyway, Mr. Abbott felt he could say "We have a right to be gratified with the first six months operations." Later Progressive Conservative financial critic J. M. Macdonnell took sharp issue with this view. In rising to close the budget debate, he charged the government with failure to provide any really permanent solution to its dollar problem.

The final figure of the year's accounts—an over-all surplus of $670 millions was reached after the government had salted $75 millions away in its account for "possible losses on ultimate realization of active assets." The normal annual provision for this has been $25 millions.

Mr. Abbott didn't put on the record the amount by which his advisors had misjudged the budget picture a year ago. He did admit that his 1947 estimates had been very wide of the mark as to revenues but on the beam as to expenditures. (A year ago, in the 1947 speech Mr. Abbott said he thought we should have a surplus of $190 millions. Just about $500 millions too low.)

In case you look for the same thing to happen next year, Mr. Abbott warned that this was most unlikely, and that the accounts should be much nearer the mark if all goes well.

Cottons and Textiles

The suspension of tariffs on imports of cotton and rayon fabrics from the U. K. should result in considerable improvement in Canada's over-all cotton picture, a leading Canadian converter tells The Financial Post, The resulting price cuts, ranging anywhere from 3c a yard on heavy-volume grey goods to as much as 10 and 12c a yard on higher priced printed and dyed cotton goods, will bring U. K. prices more in line with what Canadian converters and consumers can pay.

The tariff cuts will have to be backed up by production channeled more specifically for Canadian markets, however, before Canadian importers will be able to take full advantage of tariff cuts, the official said. Up to now the big drawbacks, other than price, have been insufficient offerings and extended delivery dates.

Savings arising from price cuts will not likely be passed on to the consumer right away because of inventory positions in this country. It is estimated that the average converter might have anywhere from two to four months supply of piece goods on hand. Since Canadian manufacturing facilities are only able to supply approximately 50% of domestic demand in cotton goods, the ultimate effect will be a greater supply of goods, more variety, and moderately reduced cost to consumer.

Currently, demand is so great that domestic manufacturers need fear no loss in production from greater U.K. competition. Actually converters welcome the move as it will enable them to maintain factories at near capacity as a result of a better supply of grey goods and semi-finished piece goods.

Here's how the tariff changes will work. The former British Preferential tariff on cotton and rayon goods, averaging around 15% for heaviest volume lines, has been suspended entirely until June 30, 1949. At the same time the Most-Favored-Nation tariff affecting U. S. imports and running moderately higher has been reduced in the same proportion.

This does not wipe out the tariff entirely, however, on the U. S. goods as is the case with U. K. fabrics. For instance a 4-ounce grey-goods that imported for 20c a yard was formerly subject to a 15% tariff under the British Preferential tariff and a 15% tariff plus 3c a lb. under the most-favored nation tariff. The British goods would come in at 20c a lb. and the U. S. cotton would still be subject to the 3c a lb. tariff which would work out at about ¾ of a cent a yard. But the cut will not likely result in any appreciable increase in U. S. imports since they were put on a sharply reduced quota basis when the dollar conservation program came into effect.

Major Douglas Hallam, general manager of the Canadian Primary Textile Institute, said: "It would appear that our government has realized that the prices at which Great Britain is selling cotton and rayon woven piece goods in Canada are too high for the Canadian consumers' pocketbook. These British goods are of course being sold here at prices far above the British home prices. It is to be hoped, although not necessarily expected, that the suspension of the duties will bring the prices of British goods down nearer to the level of Canadian-made cotton and rayon cottons of same qualities. If it does not, the only result will have been that the Canadian government has surrendered revenue to increase further the profit British manufacturers are securing from selling such goods in Canada.

"What may be serious from a Canadian wage and employment angle is that because of the Geneva commitments the government had to make reductions of duties to same extent in tariff rates of all-favored-nations countries. Some of these countries are subject to temporary quotas in cotton and rayon cloth under the dollar-saving program. Other countries are not, and to this extent the reductions are outright without any restrictions on volume of imports. It would be misleading to predict that in these cases Canadian consumers will pay lower prices."

Sales Tax Off Food

"The cost of living isn't going to take any nose-dive, that's for sure," was the reaction of the executive of one large retail grocery chain to the easing of the 8% sales tax on food. The reduction amounts to about $20 millions annually.

In the first place, if the whole cut is passed along to the consumer, it would hardly make a dent in the nation's food bill; $20 millions is but 2% of the $1 billion which is about what Canadians spend annually for food. On a per capita basis it could only mean $2 a year if consumer got full effect of the cut.

In the second place, hardly any of the tax cut is likely to be passed along in the immediate future. And chances are, the trade agrees, that much of it will be eaten up long before it gets to the consumer.

There was general agreement, for example, that there will be no change in the price of canned goods at least, not until the next pack which is months away; and perhaps not then. By that time the 21% increase in freight rates and increased cost of production are expected to devour the saving.

It was pointed out that canned goods make up a large part of the list of foods from which the tax has now been removed. This means that much of the $20 million saving will be saved on canned goods.

This delayed-action effect holds true for many of the other items on the list; peanut butter, biscuits, cereal, prepared infants' foods, etc.

The one exception is processed meat and poultry. Here is one item on which the tax lift would at least be noticed. On cooked ham costing $2.50, the saving, if passed along, would be in the neighborhood of 25c.

But here again, retailers doubt whether there will be any early benefit for consumers. Packers have been talking about raising prices for some time now because of increased production costs and higher prices to farmers. To take a bigger cut by not passing the tax reduction along might be the answer.

(Continued on page 5)

Here Are Details of Tariff Changes Affecting Mining Machinery, Equipment

Tariff Item	Bri. Pref. Tariff	M.F.N. Tariff	Gen. Tariff	Rates Prior to this Budget: Bri. Pre.	M.F.N.	Several
410a (i) Loading machines; shaker trough, belt trough, chain or elevating conveyors; air engines; flameproof enclosed driving motors; of a class or kind not made in Canada, and parts of all motive power or machinery mentioned in this item, for use exclusively in mining operations.	Free	Free	35%	10% Free Free 15% 15%	25% 10% 10% 22½% 22½%	35% 12½% 35% 30% 37½%
(ii) Trucks or tractors, self-propelled, mounted on wheels or on endless tracks, including motive power, when of a class or kind not made in Canada, for use exclusively underground in mining operations; parts of the foregoing.	Free	Free	27½%	Free 15% 15%	17½% 22½% 22½%	27½% 30% 37½%
(iii) Diesel-powered self-propelled trucks, mounted on rubber-tired wheels, side or rear dump, having a rated capacity, by struck volume, of not less than 9½ cubic yards and, by payload weight, of not less than 15 tons, and complete parts thereof, for off-highway use in carrying minerals, ores, rock, stone, sand, gravel and other excavated materials in open-pit mines, quarries, gravel and sand pits or at construction sites.	Free	10%	27½%	Free	17½%	27½%
410h Equipment and integral parts thereof for distributing stone dust in mines.	Free	Free	10%	Free	5%	10%
410m Diamond drills and core drills, not including motive power, electrically operated rotary coal drills, and coal cutting machines, of a class or kind not made in Canada, and parts of the foregoing for use exclusively in mining operations.	Free	Free	Free	Free Free	Free 10%	Free 10%
410n Diamond drills and core drills, not including motive power, and electrically operated rotary coal drills, n.o.p., and parts of the foregoing, for use exclusively in mining operations.	Free	10%	10%	Free	10%	10%
410o (i) Coal heading machines; electric or magnetic machines for concentrating or separating iron ores; automatic scales for use with conveyors; and integral parts of all the foregoing, for use exclusively in mining or metallurgical operations.	Free	Free	Free	Free	Free	Free
(ii) Chock release apparatus, for use in coal mines to facilitate the safe removal of chocks forming the roof support.	Free	Free	10%	Free	10%	10%
410q Pumps and vacuum pumps, and complete parts thereof, for use exclusively in the extraction of precious metals by the chlorination or cyanide processes.	15%	15%	20%	15%	17½%	20%
410w Machinery, n.o.p., for the concentration or separation or ores, metals or minerals, viz.: flotation machines, flotation cells, oil feeders and reagent feeders for flotation machines and flotation cells, pumps, vibrating and impact screens, jigs, magnetic separators, magnetic pulleys and filters, for use in the concentration or separation of ores, metals or minerals, and integral parts of all the foregoing.	5%	7½%	20%	15%	17½%	20%
410y Heavy duty mine hoists, of a size and capacity not made in Canada.	Free	Free	10%	Free	5%	10%
431h Geophysical surveying precision instruments and equipment for use exclusively in prospecting for, or in the exploration and development of, petroleum, natural gas, water wells and minerals, or for geophysical studies for engineering projects, including the following: magnetometers; gravity meters and other instruments designed to measure the elements, variations and distortions of the natural gravitational force; field potentiometers, meggers, non-polarizing electrodes, and electrical equipment for making measurements in drill holes; instruments and equipment for seismic prospecting; geiger muller counters and other instruments for radioactive methods of geophysical prospecting; electrical and electronic amplifying devices and electrical thermostats designed to be used with any of the foregoing; all the foregoing of a class or kind not made in Canada, and repair parts, tripods and fitted carrying cases for any of the foregoing.	Free	Free	30%	2½% Free 15% Free Free	15% 15% 22½% 10% Free	30% 30% 30% 15% Free
437 Locomotives, cars and coaches and repair equipment, belonging to railroads, brought temporarily into Canada for the purpose of clearing obstructions, fighting fires or making emergency repairs on railway lines within Canada; detector cars when imported to test rail in tracks in Canada.	....	Free	Free	....	Free 20%	Free 35%
439c Farm wagons, including four-wheeled farm wagons equipped to be tractor-drawn; farm sleds; logging wagons; logging sleds; and complete parts of all the foregoing.	Free	15%	25%	Free 15%	15% 22½%	25% 35%
442d Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada, when imported by manufacturers of goods entitled to entry under tariff items 410g, 410i, 410n, 410o, 410p, 410q, 410u, 410w, 410z, 411, 411a, 411b, 427b, 427c, 427f, 428c, 428e, 440k, and 447a, for use in the manufacture of such goods in their own factories, under such regulations as the Minister may prescribe. Provided that materials and parts which are entitled to free entry or to a lower rate of duty than is specified in this item shall not be dutiable under this item.	Free	5%	10%	Free	10%	10%
445m (i) Flameproof electric switchgear, for use underground in coal mines, and complete parts thereof.	Free	20%	30%	Free	20%	30%
(ii) Flameproof electric transformers, rectifiers, cable-connecting devices, trailing cable extensions with couplers molded on, junction boxes, and complete parts of the foregoing, when of a class or kind not made in Canada and for use underground in coal mines.	Free	10%	37½%	15% 15%	22½% 22½%	30% 37½%
848 All machinery and apparatus and parts thereof (including motive power) and drilling mud, for use exclusively in exploratory or discovery work in connection with, and development, depletion and production of petroleum or natural gas wells; seamless, lap-welded and electric welded iron or steel casing, tubing and drill pipe for use in connection with natural gas or oil wells.	Free	Free	Free	Free	Free	Free

It's Your Money

By BRUCE MacKINNON

Maclean-Hunter Editorial Research

Recently, Ottawa announced a system of guaranteed rentals to be known as rental insurance. Basic idea is to stimulate the building of rental housing by guaranteeing the return.

Taxpayers won't know how much this will cost until they learn the full terms and until they know what's going to happen to housing values in the future. As with the many other guarantees being made in connection with housing, the taxpayer won't be stuck unless Ottawa is called on to make good the guarantees. If there is substantial drop in real estate values, the taxpayer may pay heavily. Under the rental insurance scheme, the taxpayer might have to foot the bill for a good many years.

This type of "invisible subsidy" is thus potentially dangerous, more so perhaps than the direct payments which can be measured from year to year.

The visible type of payment (Wartime Housing, Emergency Shelter) has been growing at a rapid rate, and is shown at $53.9 millions in the main estimates for the current year. This compares with $30.8 millions for fiscal '48 and $44 millions in the main estimates for fiscal '47. In both the earlier years, the main estimates were substantially increased during the year.

The current year's outlay on housing works out to an average of $4.28 apiece for every man, woman and child in the Dominion.

HEATH GOLD MINES directors have decided not to carry on any further exploration work until general conditions in the mining industry improve, 1947 annual report states. Drilling failed to add anything to ore picture outlined in previous work, when a 610-ft. length averaging 0.109 oz. across 15.4 ft. was indicated. Working capital at Dec. 31, 1947, was $80,110. Current assets included $6,573 cash, $75,000 guaranteed call loan and $138 accounts receivable. Current liabilities totaled $1,601.

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CAPITAL CO-OPERATIVE LTD. of New Brunswick reports a total turnover in 1947 of $1.1 millions represented an increase of 33% in volume. Surplus for the year's business amounted to $23,331 and dividends voted to members at the annual meeting totaled $16,211. Dividends are being entered in the books as share capital. Total membership is 650.

INVESTMENTS THIS WEEK

Paper Stocks With Leaders In Market Break-through

In last week's market break-through, pulp and paper securities were among the leaders. On Friday when the Dow-Jones Industrials chalked up a 3.78-point rise, 10 paper stocks on the Montreal Stock Exchange went up 12.39 or 3.4% over the previous day.

This fact in itself is not unusual since pulp and paper securities are traditional leaders in a rising market. But quite apart from the recent over-all bullish market trend, investors list several reasons why the outlook for pulp and paper stocks is bright.

Even after the recent price rise is taken into account many paper stocks still are not selling at more than five or six times earnings. This would indicate that pulp and paper securities are not over-valued in comparison with the rest of the market and should therefore be in a position to keep pace in any general market rise.

Profit figures for those companies which have so far published first quarter results indicate that earnings are still on the increase, although probably to a lesser degree than this time last year. This increase, however, was generally anticipated since the selling prices of all pulp and paper products have increased. Prices of some grades of pulp are up as much as $15 a ton. Newsprint which last year sold at an average price of $88.50 a ton went up to $96 for most companies at the beginning of the year. Fine paper prices also went up this spring.

Some of this increase is being eaten up by higher costs. Recently signed labor contracts in Ontario and Quebec call for a base rate of $1 an hour for mill workers. For some companies pulpwood costs have also increased. In general, however, most pulp and paper companies are in better operating condition than for some years past.

Inventories Are Higher

One of the biggest improvements in the industry over last year is the greater pulpwood inventories on hand. Companies which last year were forced to purchase pulpwood in the open market to maintain production will in many cases effect savings in operating costs by using wood cut on their own limits. Earnings this year should also reflect to some extent the rehabilitation program which the industry has had under way for the past two years. On top of all this pulp and paper production continues to increase. Production of newsprint, the backbone of the industry, is up 2.5% in the first four months.

Just as important as production is the market. And so far there is little sign of a letup in the demand. Exports of newsprint and pulp are up over last year and the U. S. market in these products has so far remained firm. While there has been some easing in the domestic demand for some grades of fine papers, mills generally are still weeks behind on orders.

One darker side to the picture is costs. Most paper companies are now operating on a sustained yield basis which means limited cutting in any given area. Thus some companies are forced to go farther afield for wood and this adds to the cost.

Another feature of the pulp and paper industry is that it is almost entirely dependent on United States for its continued prosperity. All but a negligible percentage of pulp and newsprint goes south of the border. Thus any kind of a reversal in the paper market there would almost certainly be felt immediately by Canadian manufacturers. While this is a contingency which cannot be overlooked there are few who foresee a U. S. recession at the present time.

• • •

Near-Record Bond Bid For Chatham Financing

Are certain municipalities better bond risks than the Ontario or Dominion Governments? The question was raised when a recent 3% bond issue of the city of Chatham sold at 100.75 to retail at 101.00. This is a higher bid than would likely be made for similar Ontario or Dominion bonds. The issue, of $325,000, was for school purposes. The successful bidders, Isard Robertson, London, Ont.

• • •

Silknit Statement Lacks Essentials

Silknit Ltd. annual report accurately describes profit and loss statistics in remarks of President M. H. Epstein. But outside of telling that profits are substantially higher, little information is provided shareholders.

• • •

New Market Strength Reduces Stock Yields

Recent upsurge in prices for industrial securities is reflected in sharp decline in stock yields. The average yield of 112 dividend-paying stocks on the Toronto Stock Exchange, as compiled by Moss, Lawson & Co. on prices of May 17, was 5.25%, off .16 on the week. This current yield compares with 5.59% last month and the year's high of 5.89%. One year ago the average yield was 4.89%. Common stocks experienced the widest shrinkage, being lower by .25 at 5.46%.

• • •

Inco Earnings Best Since 1937 Quarter

Inco first-quarter 1948 per-share earnings had statisticians scurrying about this week in effort to locate best previous first quarter. Earnings of 68c a share represented best first peacetime quarter since 1937, when earning hit 77c a share.

• • •

U.S. Financing Method Shown By Two Canadian Cases

How can a corporation get long-term financing without direct borrowing? More than one company head would like to know the answer and some apparently have found one solution. In Canada the T. Eaton Co. Ltd. and Robert Simpson Co. Ltd. have done it by selling real estate and taking back long term leases. In United States this type of financing has achieved the proportions of a definite trend and many investment men think the same thing may take place in Canada

In United States, the general procedure appears to be to sell the real estate to institutions such as insurance companies, universities, foundations, etc. For example, Western Union Telegraph Co. recently sold its home office in New York to Yale University for $12.5 millions. In return, Western Union took out a long-term lease with the University which calls not only for payment of rent but also for an undertaking to pay all expenses, including taxes, insurance, repairs and alterations.

A similar deal was arranged between Robert Simpson Co. and Prudential of America (The Financial Post, Mar. 27). Prudential bought Simpson's Toronto furniture warehouse and is leasing the properties back to the merchandising company under a long-term lease.

Another such deal was effected by Federated Department Stores last year. It sold its real estate in Boston and Brooklyn to insurance companies and foundations and took back leases. In this case it is stated that the new leases resulted in an operating saving of $600,000 a year. This same company sold its Houston store to Foley Brothers Foundation for $13.2 millions and leased it back for $650,000 a year.

The lease agreement between The T. Eaton Co. Ltd. and the Realty Co. follows this return very closely. Under the agreement The T. Eaton Co. Ltd. agrees to pay a rental sufficient to cover the following:

(a) All interest and all sinking fund payments and funds required to pay at maturity any serial bonds issued by the Realty Co.

(b) All taxes, rates, duties and assessments of every kind and insurance premiums.

(c) All ground rent.

(d) Keep the premises in a good state of repair and in good working order and condition.

Investment men explain that actually a lease agreement of this or a similar type permits a corporation to obtain working capital for expansion and improvement without at the same time taking on a liability in the form of funded debt. The contingent liability is not carried on the balance sheet as a liability, as is funded debt, but is a charge against earnings. In the case of The T. Eaton Co. it is pointed out that the Realty Co. has assumed the debt burden and so given the operating company the necessary funds to handle inventories, etc.

From the standpoint of the institutional investor, a large agreement of this type relieves it of care and responsibility in connection with the propery.

• • •

Profit of U. S. Firms Equals Only 5½c Per $ of Business

The annual reports now being published for 1947 reflect a banner year for earnings in manufacturing industries. Annual reports of 960 U. S. manufacturing companies shows net income after taxes up about 50% over 1946, according to a preliminary tabulation made by the National City Bank of New York. This also shows total sales volume of the companies at a new high record and about 42% over 1946.

Other points brought out by the bank's analysis are:

1. Most of the increase over 1946 occurred during the first half year.

2. Net worth of the 960 companies totaled $18.7 billion at the beginning of 1947, upon which the year's net income represents an average return of 17.1% (net worth $17.1 billions in 1946 and return 12.5%).

3. Despite the sharp rise in the composite earnings, about 23% of the individual companies reported decreases and 5% incurred net deficits, even after allowance for carry-back tax credits.

4. Two industrial groups which showed decreases were rubber products and aircraft and parts.

5. Groups showing over 100% increase in net income after taxes were sugar, electrical equipment and radio and automobiles and parts.

6. Profits represented a margin of but 5½c per dollar, on gross business aggregating around $300 billions.

It should be noted that while profits are record-breaking and show a large increase over pre-war, the actual amount earned on the dollar of sales is small. It illustrates the vulnerability of profits to a drop in volume.

• • •

Switching From "Dominions" Featured Market Last Year

One of the features of the securities market during the last two years has been the liquidation of bond investments by investors other than the chartered banks and institutions such as life insurance, trust and loan companies, Dominion Mortgage & Investments Association points out. Holdings of Dominion of Canada direct and guaranteed bonds by investors other than government accounts, the Bank of Canada, the chartered banks and life insurance companies were $7,980 millions at the end of 1947—a reduction of $435 millions during the year and $1,170 millions since the end of 1945.

One reason has been the sale by commercial and industrial corporations and also individuals of a large part of their holdings in order to help finance capital expansion and larger and higher price inventories. Other individuals have sold to finance deferred wants. For example, a home or an automobile, etc. There may also have been switching on the part of some investors from government bonds to preferred and common stocks and it is probable that holdings of foreign investors have been reduced, the association points out.

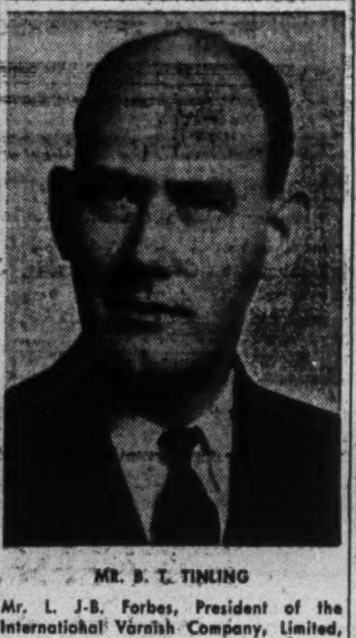
The liquidation of bond investments has not been confined to Dominion of Canada bonds. The net increase in 1947 of the holdings by chartered banks of provincial, municipal and corporation bonds and stocks was $316 millions whereas net new issues of such securities in 1947 amounted to $263 millions, according to the Bank of Canada report. Over the past three years net purchases by the banks of these securities have exceeded net new issues by $216 millions. When it is considered that life insurance, trust and loan companies have increased their holdings of provincial, municipal and corporation securities by a substantial amount in 1947, it is obvious that other investors reduced their holdings appreciably, the association states. The decline in the holdings of other investors may be largely accounted for by a reduction in the foreign holdings of such securities through retirement or refunding.

There were no new issues of Dominion of Canada bonds available to institutional investors in 1947 and total Dominion Government securities (including banking securities) outstanding, direct and guaranteed, declined $620 millions. Holdings of Dominion of Canada bonds by life insurance companies increased $15 millions.

The volume of provincial direct and guaranteed issues in 1947 was the largest in many years, amounting to $361 millions, of which $133 millions was for new capital purposes such as public works and highways. The net increase in provincial, direct and guaranteed debt during the year was $157 millions.

The total volume of corporation bond issues in 1947 was not as great as in 1946 due to a smaller amount of refunding, but new issues for capital purposes were more than double the 1946 amount. Corporation debt shows an increase for the first time in 11 years—the net increase being $85 millions.

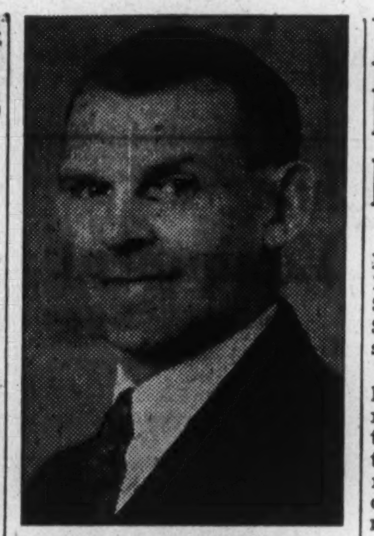
According to the best available estimates municipalities demand for new money for capital purposes amounted to over $70 millions in 1947.



MR. B. T. TINLING

Mr. L. J-B. Forbes, President of the International Varnish Company, Limited, has announced the appointment of Mr. B. T. Tinling as General Manager and Director of the Company.

Mr. Tinling has for the past five years served as Sales Manager. He is also a director of Tait Plate Glass Company of Kitchener and the Scott Paint-Varnish Company of London. *



ALFRED PARADIS JR.

has been appointed president of Paradis & Sons Ltd., Montreal, lumber manufacturers and wholesalers.

Int. Paper Co. First Quarter Profit Up 14%

Net profit of International Paper Co. for the first quarter of 1948 was $13,313,408, equal to $3.68 a common share, against $11,660,540 or $3.21 a share for the same quarter last year.

A plant site in Wooster, Ohio, has been acquired and a new corrugated kraft board shipping container plant will be constructed there, according to an announcement this week. This follows chairman R. J. Cullen's statement to shareholders at the annual meeting that the company had earmarked $47.4 millions of special appropriations to increase capacity by 469,000 tons.

Last year's $3 annual dividend rate has been continued for the first quarter of 1948, Mr. Cullen told the annual meeting.

"As the year goes on and we know what our earnings and cash needs are, directors will be able to determine dividends which can be paid on the common stock," Mr. Cullen said. During 1948 there will be a need for funds for future construction, and additional accounts receivable and inventories. Next board meeting, at which the question of dividends will be considered, is May 25.

Demand for company products has continued to exceed ability to produce. During the first quarter, bad weather restricted output. In the South abnormally heavy rains restricted pulpwood operations; in Canada, low water conditions seriously restricted power supply at the mill of one of the Canadian subsidiaries. These conditions are now much better and production should be close to capacity during the second quarter, Mr. Cullen said.

Trend of costs is still upward. Wage increases have been granted in the United States paper mills, and Canadian subsidiaries are now negotiating wage agreements. There have also been further increases in freight and cost of materials and supplies.

When special appropriations aggregating $47,356,000 have been actually expended on construction program and work completed, capacity will have been increased from 3,131,000 tons a year to approximately 3.6 million tons. In addition, present appropriations will further modernize existing plants and greatly increase efficiency, it was stated.

SOUTHERN CANADA POWER CO. reports gross earnings of $387,775 for the month of April. Gross earnings for the first seven months of the present fiscal year total $2,627,200. Operating and maintenance expenses, taxes, interest, depreciation and dividends totaled $2,657,618 resulting in a deficit of $30,418 for the period. This compares with a surplus of $105,727 in 1947.

JAMES I. ROBINSON

has been appointed president of Crane Ltd., Montreal.

Export Selling Costs No More Than at Home

MONTREAL (Staff)—Exporters got some straight talk about Canada's export problems in an address by H. V. Lush, president of the Canadian Exporters Association here this week.

Citing his own firm as an example, Mr. Lush stated that his company's export volume alone now is more than 200% of total prewar production. This was one of the fruits of an idea which started in 1937.

Here are some other benefits of export mentioned by Mr. Lush:

(1) Cost of export selling is no greater than in the domestic market.

(2) Export sales help to maintain a production volume which benefits the entire production cost. Prices in the domestic market are, therefore, lower than they would be, if the export volume were not there.

(3) Export volume definitely serves the Canadian economy.

Referring to the effect of the dollar shortage on trade, Mr. Lush said that export trade was not doomed as a result of these difficulties. "I am afraid we have almost accepted the principle that dollars are the basis of trade," he stated. "That is wrong. Confidence was the basis of trade, long before dollars existed."

Striking at the tendency of some to wait for governmental action, Mr. Lush stated that if industry is content to sit back and expect governments alone to work out the solutions to trading problems, it indicated indifference; and trade would then surely become a matter of politics.

On the subject of import restrictions, Exporter Lush gave as his opinion that "when governments, for any reason, consider it desirable to interfere with the laws of supply and demand, the door is thrown wide open and collusion, lobbying, patronage and graft are invited in." Mr. Lush stated that import restrictions were having a serious effect on Canadian trade.

If goods are not considered absolutely essential, they are placed on the banned list from hard currency areas, as long as they can be purchased in soft currency areas. This, Mr. Lush said, means that Canada loses the sale of its goods today and might find it difficult to regain lost markets.

Exporters, he stressed, must be alive to the seriousness of the situation and keep contact with their markets; also make frequent representation to top official levels.

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The above companies have recently formed a new Company, Canadian Silica Corporation Limited, for the better operation of their successful Manitoulin Quartzite enterprise.
Canadian shareholders of these Companies, of record June 1st, 1948, will be given a special opportunity to subscribe for preferred shares of Canadian Silica Corporation Limited, accompanied by a bonus of common shares of that corporation.
In order to take advantage of this offer, your shares must be registered in your name on or before June 1st, 1948.
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Vice-President: LAWRENCE TUPPER PORTER, Chairman of the Board, Gayport Shipping Company, Toronto
Secretary: MAURICE CHARLES LANCTOT, Mayor of Coteau du Lac, Soulanges County, Quebec
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United Asbestos Corporation Limited has acquired six properties equivalent to 1,195 acres located in the Townships of Thetford and Wolfeston, in the Province of Quebec. These selected properties, on which exploration and development is to start immediately, lie in the heart of the asbestos area and adjoin or are adjacent to Asbestos Corp. Ltd., Johnson's Company Ltd., and the Bell Asbestos Mine, Inc., who rank among the world's greatest producers of chrysotile asbestos. The present demands for crude asbestos fibre being still much greater than the supply, lends particular interest to speedy development of this company's undertaking.
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SALE BY TENDER

In The Supreme Court of Ontario

Between PRUDENTIAL TRUST COMPANY LIMITED, Plaintiff and ARMACO LIMITED, Defendant.

Pursuant to the judgment in this action dated the 18th day of June, 1947, in pursuance of a certain Bond Mortgage dated the 1st day of December, 1945, made by Armaco Limited in favour of Prudential Trust Company Limited, and pursuant to the direction of O. E. Lennox, Esquire, K.C., Master of the Supreme Court of Ontario, sealed tenders in accordance with the conditions of sale herein will be received by the said Master up to 12:30 o'clock in the afternoon on Friday the 18th day of June, 1948, for the purchase en bloc of the following property and assets. The said property and assets are offered for sale subject to such existing encumbrances as may have priority over the said Bond Mortgage.

The said property and assets consist of the plant, buildings, machinery, equipment and lands of Armaco Limited in the Village of Acton in the County of Halton and Province of Ontario. The buildings are said to comprise an office, tool-room, factory and warehouse, having a total area of over 12,000 square feet. The plant is said to be fully equipped with all necessary machinery and equipment (including an automatic oil-fired tunnel kiln 86 feet long, completed in March, 1947) for the manufacture of electrical porcelains. There is also a quantity of raw materials. The lands and premises may be briefly described as follows:

Lots 11 and 12, Lots 16 to 20 (both inclusive), parts of Lots 25 to 33 (both inclusive), part of Lot 35, part of Block "A" and part of Maple Street in the said Village of Acton, all as shown on registered Plan 185. Part of the said lands and premises is subject to a first mortgage held by one C. Hartley Harrison on which there is now said to be owing $9,287.31 for principal, with interest at 6% per annum from March 25th, 1948, and with half yearly payments of $739.38 including principal and interest, and maturing March 25th, 1951, and with the privilege of paying any greater amount or the whole amount of the principal sum at any time without notice or bonus.

Permission to view and inspect the above property and assets may be obtained at any time prior to the sale from George Selwyn Holmested, Receiver, McKinnon Building, Jordan & Melinda Streets, Toronto, or from his solicitors, Messrs. Holmested, Sutton, Hill & Kemp, 1809 Royal Bank Building, Toronto; and a full description of the said property and assets including an inventory of the principal machinery, equipment and materials may be inspected at the office of the said George Selwyn Holmested or at the premises at Acton, Ontario.

A marked cheque payable to George Selwyn Holmested, Receiver, for 10% of the purchase price shall accompany each tender (which will be returned if the tender is not accepted) and the balance of the purchase price shall be payable within ten days thereafter. Tenders will be opened by the undersigned Master in his office at Osgoode Hall at 2.30 o'clock in the afternoon on Friday, the 18th day of June, 1948.

Tenders must be submitted for the whole of the foregoing property and assets. Tenders for less than the whole thereof will not be considered. The sale will be subject to a reserve bid to be fixed by the Master.

All taxes, insurance, rents and mortgage interest will be adjusted as at the date of sale. The purchaser shall search the title at his own expense. The Receiver shall not be required to furnish any abstracts or produce any documents or evidence of title except those in his possession. Only the interest of the Plaintiff, the Defendant and of the Receiver is for sale, and the Receiver does not guarantee any title or make any representations as to quantity, quality or otherwise. The purchaser must satisfy himself as to the extent and value of the assets advertised for sale and as to the validity of title. Title shall not pass, nor shall the purchaser be entitled to possession of the property until the full purchase price has been paid.

The Receiver shall not be bound to accept the highest or any tender.

The standing conditions of sale shall apply so far as the same are not at variance from the conditions herein specified.

DATED the 13th day of May, 1948.

O. E. LENNOX,
Master, S. C. O.

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Anti-Inflation Budget Sober Reading

(Continued from page 3)

Tariff Reductions

OTTAWA (Staff) — At least $100 millions of Canadian imports are affected by the several score tariff cuts contained in this week's budget.

As well, a familiar feature of Canadian tariffs since 1907 — the intermediate rate classification — now disappears. In its place, Canada is now to have a "most-favored-nation" column alongside the preferential and general rates.

There are three important phases of the tariff changes.

1. The new arrangement for most-favored-nation treatment.
2. A new schedule with lower rates on 112 items, most important of which are probably the reductions in rates on mining machinery and equipment.
3. The elimination of the British preference rates on cotton and rayon piece goods until June 30, 1949.

MFN Arrangement

Since 1907 there have been three columns in schedule A to the customs tariff, designated as the British Preferential tariff, the intermediate tariff and the general tariff. Subsequently Canada concluded most-favored-nation trade arrangements with many foreign countries embodying tariff concessions consisting of rates of duty lower than the intermediate tariff.

At the present time most-favored-nation rates apply to imports from all intermediate tariff countries with the exception of Paraguay and the Panama Canal Zone. The new tariff resolution amends the heading of the "intermediate" tariff column to read "most-favored-nation." At the present time products of the following countries are subject to general tariff treatment: Afghanistan, Albania, Bulgaria, Egypt, Ethiopia, Finland, Germany, Honduras, Hungary, Iraq (Mesopotamia), Japan, Liberia, Persia, Peru, Russia (USSR), and Siam.

Among the 112 tariff amendments, new items are established for illipe butter, mulberry trees, roofing felt, recording tape, animal bile, ouricury wax, surgical bandages, aluminum capsules, auxiliary internal combustion engines, milk evaporators, geophysical surveying precision instruments, invalid wheel chairs, wood flour, tall oil, synthetic resin bristles, catalysts for refining pertoleum, vermiculite, roofing granules, and phonograph records for libraries.

Now Covered by Permanent Tariff

A number of order-in-council items are now brought into the permanent tariff. Chief products covered by these items are: gasket stock, materials for plasticizing synthetic resins, materials of a kind not produced in Canada for the manufacture of synthetic resins, dead yeast, synthetic resin glue, phenol for the manufacture of synthetic resin glues, metals for decorating glassware and chinaware, ketones and furfural for refining oils, tungsten carbide materials, ponderosa pine lumber, coke for heating, etc., and oil well drilling machinery.

Fifteen items in this resolution give permanent effect to the discounts from the intermediate tariff enjoyed by France under the Canada-France trade agreement. All the other items in the Canada-France trade agreement were included in schedule V to the general agreement on tariffs and trade.

Most important tariff reductions in the 112 items listed, relate to mining machinery and equipment. The items covering this machinery and equipment are 410a, 410h, 410m, 410n, 410o, 410q, 410w, and 410y. Item 410a has been rewritten in three sub-items, one of which covers heavy off-the-highway Diesel trucks, on which the most-favored-nation rate was reduced from 17½% to 10%. The new item 431h, covering geophysical surveying precision instruments, is expected to materially assist in prospecting for minerals, etc. Most of the equipment under this item formerly carried a most-favored-nation rate of 15%, which has been eliminated. Other tariff changes modernize present wordings and facilitate administration.

On Cotton and Rayon Goods

The final change includes the main tariff items covering cotton and rayon piece goods. The British Preferential tariff on these 13 items (including sub-items) has been eliminated until July 1, 1949. In each case the most-favored-nation rate has been reduced by the amount of the reduction made in the British preferential.

The items covering cotton and rayon piece goods are: 523 (unbleached cotton); 523a (cotton, bleached but not colored); 523b (printed, dyed or colored cotton); 523e (cotton, cut pile); 523j (shadow cretonnes); 523k (cotton gabardines) 523i (fine cottons); 524a (cotton and rayon cut pile); 532b (cotton for covering books); and 561 (rayon piece goods). The reduction under the British preferential tariff on colored fabrics was from 17½% to free and on rayon piece goods from 22½% to free.

Sales and Excise Taxes

The wolf is snarling at the door of Canadian radio manufacturers. The economic help they expected from the budget to help keep the door shut didn't materialize.

"I could hardly believe my ears when I heard the news," a spokesman for the Radio Manufacturers' Association of Canada, told The Post. "Our position was so bad it was taken for granted that something would be done.

"We'd already cut our staff from 350 to 50," said one manufacturer. "Now it looks like we'll have to stop making radios altogether. People just won't pay the price.

"Sales have dropped 70% since last November when the excise tax went on. Employment in the whole industry had dropped 38% by April 1. It's down a whole lot since then."

Another manufacturer who employed well over 500 during the war said he had laid off all but 25 by last week.

Manufacturers have about 160,000 completed sets in their factories. That's half of a prewar year's supply. In addition, dealers probably have at least twice as many on their floors. Radios just aren't moving, they say.

Of all durable goods makers, the radio industry had been hit hardest by increased sales taxes, said the manufacturers' spokesman.

The argument of the industry against the excise tax (that it is discriminatory) is the same as the auto industry. So far it hasn't had any effect on the demand for automobiles, sales figures indicate. But coupled with increased production, it has knocked the radio market into a cocked hat.

Last year the industry produced approximately a million sets. This was the peak year. This year, without the depressing effect of increased taxes, lower volume was expected, as production began eating into the postwar backlog of demand. But not to the extent of slowing down the industry to a crawl.

Last November, before the new excise tax was felt, 120,000 radio sets were made and sold. In December things began to slow down; volume was down to 90,000 made and sold. By January, things were beginning to grind to a stop: 39,000 sales. By April, volume was down to 30,000. This month is expected to be even worse.

Most of the blame for this condition is loaded on the Government and the excise tax. The industry claims that on a receiver that costs $50 at the factory, the Government takes nearly $15 in taxes. Yet the manufacturer's profit on such a radio is only around $2.50. This type of radio would sell for around $100 retail.

On mantel models which sell for around $30-35, manufacturers, it is claimed, make little or nothing, yet these make up a large portion of today's volume. On a set selling for $32, the manufacturer considers himself lucky, The Post is told, if he makes 25c yet Ottawa takes a cut of $5.25 in sales and excise taxes.

When the tax was applied, Finance Minister Abbott explained that the object was to reduce consumption of articles with a high or substantial U. S. content and also articles which for the time being we can do without.

Since then, it has been demonstrated that the U. S. content in radios was only about 10%. And now that a system of import controls has been worked out, the industry contends the excise tax is no longer necessary to achieve Mr. Abbott's goals.

Succession Duties

The great majority of estates will be exempt from Dominion succession duty, under Finance Minister Abbott's budget, presented to Parliament this week. As an encouragement to charitable bequests, these are now exempted from duty, up to the full value of the estate, instead of only up to 50%, as formerly.

The budget resolutions affecting succession duties, provide that:

1. The general exemption for estates not over $5,000, is now extended to all under $50,000.
2. The limit on exemptions for gifts to charitable organizations, of 50%, is removed.
3. For the purpose of the Act, shares of all companies incorporated, will be deemed to be situated in Canada.

The changes apply on estates of Canadian residents dying after Dec. 31, 1947.

In the 1945-46 fiscal year, 10,162 estates over $5,000 were assessed for Dominion succession duties. Of these, 9,002, or about 89%, were under $50,000. Under the new setup, these would all be entirely exempt from federal succession duty, and also from provincial duty, in the seven provinces which have tax agreements with the Dominion. In Ontario and Quebec, such estates would remain liable for provincial succession duties as before.

Estates under $50,000 in 1945-46 were about 45% of the total number taxed; but the total of tax assessed, by the Dominion Government on these under-$50,000 estates, was about 17% of the total, so the loss to the Dominion (about $2.8 millions out of $16.2 millions on the 1945-46 basis) will not be large.

A trust company officer commented that the change would remove a great deal of irritation, the work involved in the collection of duties on the smaller estates being more bother than the revenue was worth. Finance Minister Abbott commented that settlement of these small estates will be expedited.

In Ontario, the general exemption from succession duty is $5,000. In Quebec, there is no general exemption but estates not exceeding $1,000 and passing to immediate collateral relatives are duty free. If passing to relatives in direct line, ascending or descending, the exemption is $10,000.

The lifting of the limit on the exemption allowed charitable gifts also removes a cause of considerable complaint. Hitherto, charitable bequests were exempt up to 50% of the total value of the estate. Now if a person wants to leave his total estate worth say several millions to charity, it will all be exempt, Dominion duty, as it is under the Ontario law.

The third resolution brings the Dominion succession duty act into line with the succession duty convention between Canada and the United States, which provides that the situs of shares incorporated in Canada or the United States shall be in the country of incorporation. This clause is expected to remove much irritation and, in some cases, causes of litigation, when stock certificates are located in the country other than that where the owner lived.

Amusement Taxes

Effective Wednesday, the 20% amusement tax was lifted. If passed along, this would benefit the taxpayer immediately by reducing admission to movie theatres by 20%.

Some provinces had come out flatfooted and announced the cut, if any, would be passed along. Others, notably British Columbia hedged, while Ontario's Premier Drew definitely stated as soon as Ottawa stepped out, Ontario would step in. Right after the cut was announced, Drew did so. Beginning Wednesday, Ontario will collect the 20% amusement tax to use as grants for Ontario hospitals. The grants will be retroactive to April 1. This year, Ottawa estimates this tax would have netted $15.3 millions.

Ottawa also lifted the additional 25% tax on nontheatre places of amusement such as night clubs. Here the policy had been to tack an extra 25% onto all bills where liquor was served and music offered for dancing or entertainment. Here too, Ontario will take over but only to the extent of tax on admission or cover charges. Food and beverage will not be taxed.

Pari-Mutuel Betting

Little of the saving accruing from the dropping of the 5% tax on horse race betting is likely to give the wagerer better odds. All race track operators have been crying loud and long about the squeeze on their cut. Most of the $2.5 million revenue Ottawa might have collected from this source this year will probably end up paying track expenses. Two British Columbia tracks were going to close down this year. This will give them a new lease on life. If the whole cut is passed along it will mean about 10c on a $2 bet paying $2.80.

Sales Tax: Miscellaneous

Watches specially designed for use of the blind, alarm clocks selling at not more than $10 and plated tableware are now out of the "luxury" class and no longer liable for the special 25% purchase tax of this type of article.

Other minor sales tax changes: repeal of the special excise tax of 3% on goods imported into Canada from general tariff countries; excise tax rates on matches amended to apply proportionate rate on small packages; cancellation of 25% tax on 16 mm projectors for slides, films of pictures and application to cover projector mechanisms, sound equipment, arc lamps, lenses, bases and film magazines or reels for projectors.

Personal Income Tax

Budget changes in the Income Tax Act will benefit the running trades on railways and transport truck drivers, etc.; will tighten the regulations on allowable deductions for salesmen, etc.

It's a change sought by railway engineers, conductors, etc., for some years. The nature of their work is such that, leaving their home, they stay overnight in another city or community, then return to their home. The change will permit them to deduct expenses for board and lodging.

Expenses paid by a taxpayer "employed to sell property or negotiate contracts" who pays his own expenses and performs his duties away from his employer's place of business, may be deducted from commissions or other fees, according to the second part of the charge.

Salesmen have been allowed this deduction in the past, (if on commission and salary, up to the amount of their commission), but the new ruling is expected to eliminate the allowance of such items as automobile depreciation, where in the past actual operating expenses were paid by the employer, and the salesman claimed depreciation.

Mines Benefit Slightly

Minor relief, in the form of slight tariff changes on purchases of underground and surface equipment, diamond drills, geophysical instruments, etc., has been extended Canada's mining industry in the budget. As encouragement to exploration, the Government has extended for another year, allowances and tax credits now granted mining, oil and gas industries in respect to exploration and off-property drilling expenses.

The concessions will have the effect of lowering cost of expenditures — to some extent — on replacement, or on equipping new or established producers in the base metal, iron and gold groups.

One mining head engaged in direction of both exploration and producing companies, voiced the opinion that greatest aid should be forthcoming through reduction of British preferential tariff from 10% to 5% and drop from 17½% to 7½% in most-favored-nation tariff on machinery. In this group falls the abnormally heavy expenditures on production equipment used in concentration or separation of ores, flotation machines, flotation cells, etc. Companies operating in preliminary exploration stages may get some benefit in the elimination of 10% tariff on importation of diamond drills and core drills.*

Companies pioneering new horizons and proven fields in Labrador and Newfoundland should benefit as result of reductions and eliminations of tariffs on loading machines, Diesel-powered self-propelled trucks, etc. Companies such as International Nickel, Sherritt Gordon, Consolidated Mining & Smelting, Labrador Mining & Exploration and others, will probably get some help from this concession.

Elimination of the 10% to 22½% most-favored-nation and smaller British preferential tariffs on geophysical surveying precision instruments and equipment for use exclusively in prospecting, may prove of major benefit in search for oil, gas and minerals.

Canadians Are Returning To Prewar Spending Ratio

During 1939 Canadians saved 8% of the personal incomes at their disposal after payment of direct taxes. In response to the appeal for savings and the shortage of consumer goods, this ratio rose steadily during the war years, being estimated at 21% in 1944. The tendency to save rather than to spend was still above pre-war levels in 1946, but in 1947 the savings ratio returned to approximately 1939 levels.

PERSONAL SAVING AND SPENDING

	1939		1944		1946		Prelim. 1947	
	$ Millions	%	$ Millions	%	$ Millions	%	$ Millions	%
Personal consumer expenditure	3,828	92	6,253	79	7,712	89	8,736	94
Personal saving	334	8	1,676	21	957	11	588	6
Personal disposable income†	4,162	100	7,929	100	8,669	100	9,324	100

†Personal income less personal direct taxes.

Per capita income at the disposal of individual Canadians, obtained by subtracting from total personal incomes the direct taxes paid by individuals and dividing the remainder by the total Canadian population, was $369 in 1939, $662 in 1944, $704 in 1946 and $741 in 1947.

PERSONAL DISPOSABLE INCOME PER CAPITA

		1939	1944	1946	Prelim. 1947
Population	(thousands)	11,267	11,975	12,307	12,582
Personal income	per capita	$ 380	732	769	804
Deduct personal direct taxes	per capita	$ 11	70	65	63
Personal disposable income	per capita	$ 369	662	704	741

Here's Abbott's U.S.-Canada Comparison

"Three out of every four Canadians would pay more income tax on their present income if they lived in the United States rather than in Canada," Finance Minister Abbott declared in his budget address.

"It is mainly in the well-to-do class of married taxpayers that American taxes are appreciably lower and that result is now achieved principally by the unique feature, recently adopted in the United States, of allowing the splitting of income between husband and wife for tax purposes—a feature which was extended to the whole of that country when there appeared no other means of achieving equity as between those states where this privilege existed and those states where it did not.

"Were this provision not a part of American law, there would only be a moderate difference in the amount of tax payable even at these high levels of income for married persons."

Comparison of Personal Income Tax in Canada and United States for 1948.

These comparisons are made up on the following assumptions:

Canadian Tax

1. No allowance made for medical expenses, pension contributions, charitable donations, or other deductions. Taxpayers claiming such deductions would pay less tax than shown.
2. All income over $30,000 assumed to be investment income and subject to additional 4% tax.
3. Family allowances for children taken into account as being in lieu of income tax relief for children.

United States Tax

1. Deduction of 10% of income up to a maximum of $1,000 claimable by every taxpayer in lieu of deductions for medical expenses, charitable donations, state taxes, etc.
2. All taxpayers assumed to take full advantage of the provision for splitting incomes between husband and wife.
3. New York State income tax included in calculation.

SINGLE TAXPAYER—NO DEPENDENTS

Income $	Canadian $	U.S.+ State $	Canadian more by $
700	—	5	—
800	5	20	—
900	16	35	—
1,000	29	50	—
1,100	44	65	—
1,200	61	81	—
1,300	80	97	—
1,400	100	113	—
1,500	120	129	—
1,800	180	177	3
2,000	220	209	11
2,250	270	249	21
2,500	320	290	30
2,750	370	332	38
3,000	420	376	44
3,500	520	471	49
4,000	620	566	54
5,000	835	760	75
7,500	1,465	1,342	123
10,000	2,253	2,034	219
20,000	6,515	6,250	265
25,000	9,015	8,918	97
30,000	11,728	11,762	—
50,000	23,456	23,893	—
75,000	39,418	41,025	—
100,000	56,631	59,697	—
200,000	133,056	140,310	—

MARRIED TAXPAYER — NO CHILDREN

Income $	Canadian $	U.S.+ State $	Canadian more by $
1,400	—	10	—
1,500	—	25	—
1,600	10	40	—
1,700	22	55	—
1,800	36	70	—
2,000	70	100	—
2,250	120	137	—
2,500	170	174	—
2,750	220	212	8
3,000	270	251	19
3,500	370	332	38
4,000	470	412	58
5,000	670	578	92
7,500	1,260	1,048	212
10,000	1,990	1,556	434
20,000	6,140	4,512	1,628
30,000	11,315	8,366	2,949
50,000	23,043	18,078	4,965
75,000	38,968	32,245	6,723
100,000	56,143	47,841	8,302
200,000	132,493	119,429	13,064

MARRIED TAXPAYER—2 CHILDREN OF FAMILY ALLOWANCE AGE

A—Canadian tax.
B—Position of Canadian after receiving average family allowance.
C—U. S. + state tax.
D—Canadian more by.

Income	A	B	C	D
1,800	10	134	—	—
1,900	22	122	—	—
2,000	36	108	—	—
2,250	80	64	—	—
2,500	130	14	—	—
2,750	180	36	12	24
3,000	230	86	50	36
3,500	330	186	125	61
4,000	430	286	203	83
5,000	630	486	364	122
7,500	1,208	1,064	797	267
10,000	1,930	1,786	1,299	487
20,000	6,040	5,896	4,120	1,776
30,000	11,205	11,061	7,878	3,183
50,000	22,933	22,789	17,439	5,350
75,000	38,848	38,704	31,544	7,160
100,000	56,013	55,869	47,068	8,801
200,000	132,343	132,199	118,502	13,697

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Should Stand on Own Feet

The Canadian Legion would get further with its demands on Ottawa if it were not accepting a Government subsidy, Frank Lennard, M.P. for Wentworth, suggested in an Ottawa interview last week. Mr. Lennard claimed that the Legion got a direct grant of $9,000, or sufficient to pay head office expenses and in addition, help in the way of payment of certain travelling expenses.

Aside altogether from the justice or wisdom of the Legion's "demands," most people will agree with Mr. Lennard that Government subsidies to non-Government organizations like the Legion, are not to be recommended. There is no justification for Government funds, which are collected from all citizens, being handed out to limited and special groups.

And this subsidizing is very bad for those official groups too. They lose their independence, are under an obligation to a Government when they should be completely free to defend the interest of their own numbers. One can hardly expect that an association official whose salary depends on a government grant to be very critical of the source that pays him.

The Legion, of course, is not the only special body accepting Government financial aid. There are scores of others, particularly in the field of specialized agriculture. It is significant, too, that while most of these still pretend to be independent, in reality control lies largely in the hands of some provincial or federal government official or department.

Withdrawal of all Government financial backing might mean the end of the road for many of these bodies. If the enthusiasm and backing of its members is not sufficient to enable an organization to finance its own expenses, then there would seem little to justify its existence anyway.

How Much for Health?

The Dominion Government's announcement that it plans to spend $30 millions a year for the next five years on health services, through grants to the provinces, is being received with mixed feelings. Reactions range from charges of political expediency to enthusiastic approval of the plan in every detail.

No one can reasonably take the stand that the health of a nation is not its most important resource. But it is also reasonable to examine carefully the methods by which the health of Canada's people is to be maintained and improved and to take every precaution that the large amounts of public funds involved in the proposed plan are spent in the most productive way. And that won't be by simply increasing the number of civil servants indiscriminately.

The real test will be whether the plan is carried out from the beginning in a way that will enable Canadians to increase production and to improve the economic health of their country.

The money, of course, is not coming out of thin air or from some magic well that never runs dry. It will come from the same place that all public money comes from, the taxpayers' pockets. That is a fact that seems to need constant repetition.

It is reassuring to some extent to note the first money to be spent on a survey of existing health services, when all the deals have been ironed out with the provinces. This should prevent extravagant and useless overlapping. It should also reveal where it is planned to spend additional funds.

With this information in hand, and with opportunity for full discussion before final commitments are made, the public will be better able to judge the doctor's diagnosis against the good-sized bill they can expect from him during and after treatment.

Decentralization of Universities

Premier Drew has promised two universities to Northern Ontario. Whether it is necessary to go as far as that certainly some decentralization of this kind would appear a constructive step in solving our present overcrowding.

Current indications point to a permanent and substantial increase in the number of university students over the prewar figure. Rather than try to double the facilities at existing institutions and particularly those located in the heart of the larger cities, it would seem a wise move to open new establishments in the smaller centres.

Such a step would reduce the expense of students who would be accommodated nearer their own homes and it should provide a better university atmosphere.

Some of the greatest educational institutions in Great Britain, the United States and elsewhere are located away from the distractions of the big industrial and business centres.

The Trade Fair

The whole front cover of the Foreign Commerce Weekly, official publication of the U. S. Department of Commerce, as well as a leading article are devoted to the Canadian International Trade Fair which opens in Toronto on the last day of this month. This is excellent publicity for Canada. Of the Fair, FCW says this:

"Never before has there been such a Fair so close to the United States, where an opportunity will be offered for foreign traders to view in a few days a wide variety of commodities from a large number of countries. There will be 1,500 separate exhibits, representing the products of 28 countries which will be shown to business buyers from all over the world.

"The business and community of this country will watch with interest the outcome of the Canadian experiment. All invitations point to the achievement of a noteworthy success by this first Canadian International Trade Fair patterned after the most modern and tested European Trade Fair methods."

This Fair presents an unusual opportunity to Canadian Exporters and importers to establish new trade connections throughout the world.

Few, if any, other countries are as dependent as Canada on foreign trade. For that reason if no other, the holding of this fair in Canada is an event of major importance and of very direct interest to every citizen.

Competition is Important, Too

With good reason the Canadian Exporters' Association is alarmed at the serious decline in Canada's trade with sterling area countries. To the British Empire, exclusive of the United Kingdom, exports for the first quarter of 1948 were down almost 25% from the same period in 1947. It is this market that normally takes the great bulk of our highly manufactured exports, products like automobiles and accessories, household appliances, textiles, etc.

The Association asks Ottawa to make greater efforts to secure better trading arrangements with these sterling countries. It would also encourage larger Canadian imports from them to provide the necessary Canadian dollars to make larger purchases from us.

That is important, particularly the stress on imports. Far too many Canadians look on international trade as a one-way proposition. They regard it solely as a means of disposing of our surplus. They forget that any international trade to be permanent must be an exchange of goods with mutual benefit to both parties.

But imports and favorable trade arrangements are not the only keys to foreign markets for Canada. We must be able to meet foreign competition. During the first postwar period that factor was not of so much importance. Shy of almost everything, there was an easy seller's market and particularly so long as Canada was able to extend credit.

Now the picture has changed. Our ability to extend credit has been greatly curtailed, and the output of foreign competitors has greatly increased. About the credit or exchange angle, as a special article on page 1 points out, Canadians alone can't do very much except hope that the problem will prove temporary. But the competition we can and must meet. That is a job which Canadian exporters themselves will have to handle.

Red Tactics Backfire

Press agents for "The Iron Curtain," the semi-documentary movie which tells the story of Igor Gouzenko and the Ottawa spy trials, must be delighted by the help volunteered by the Communists.

In the United States and in Canada, the Communists are trying their usual stunts of protests, pickets, petitions and parades to keep people from seeing this film, just as they tried about every trick in their bag to keep it from being made and released.

Human nature being what it is, this technique, of course, has about the same effect as banning a book in Boston or similar shortsighted attempts to restrict people's freedom and sensible discrimination. It will boost rather than curtail attendance. When Communist headquarters realize this, as it should have in the first place, this picketing foolishness will be abruptly halted.

Typically, the Communists cry "freedom of speech," "freedom of the press," "down with censorship," when it suits their purpose, as they did recently in Washington during the investigation into their activities in Hollywood.

But when the lid is lifted on their own secret actions, they resort to strong-arm tactics. In this case, however, their plan has backfired.

Diabetics and Insurance

The Manufacturers Life is given credit for its trail-blazing in the field of accepting diabetics as insurance risks in a recent Saturday Evening Post article which examines current facts of this disease.

In discussing the value of adhering strictly to prescribed diets for diabetics, the article says:

"A more mundane inducement to obey the rules of good diet and medical treatment is the recent decision of 46 life insurance companies, notoriously conservative gamblers, to offer life insurance to those diabetics whose doctors testify they have been well controlled for at least two years. The premiums, to be sure, are higher, but until the last few years, life insurance was something the diabetic usually couldn't buy at any price.

"Appropriately, the first company to take a chance on diabetics was the Manufacturers Life, of Toronto, the city where Banting and Best made their historic discovery of insulin in the summer of 1921."

The average life span of diabetics has increased steadily in the past two generations until it is now within 15 years of the average for the total population. This is attributed to the use which both doctors and patients have put the knowledge discovered by medical science.

The Man-Woman Struggle

A recent judgment of the Ontario Court of Appeals makes another gain in man's unending struggle for equality with women.

In this case, the wife had died and left the husband out of her will. He brought suit under the Dependents' Relief Act, the first husband to come to the bar in Ontario as a dependent. Their Lordships noted this unusual circumstance but also noted that the Act had plainly contemplated such a situation and provided for it.

While favoring his appeal their written judgment suggested strongly that they were not enthusiastic about a husband asking for more of his wife's estate than she had thought fit to provide for him; they felt he should be able to look after himself. "This is no doubt in accord with social custom here," they said, "... but there is nothing in the statute making it a rule."

It seems a small gain, considering the possible loss of face, but it does give emphasis to the fact that husbands as well as wives can claim consideration and compensation for "giving the best years of their lives."

Make Sure We Are Efficient

Canadian and British producers in explaining their inability to get their goods into the United States markets have laid great stress on the American tariff, Dr. W. A. Mackintosh of Queen's University pointed out in his address before the Dominion Mortgage and Investments Association. Dr. Mackintosh agreed that the high American tariff was entitled to a lot of blame but he warned that there was another factor that must also be considered. This was the rate of technical progress and improvement in efficiency in the United States as compared with that of Canada and Britain.

Substantial reduction or even complete elimination of the U. S. tariff, as Dr. Mackintosh intimated, would not automatically mean a new flow of Canadian and British goods into the United States unless we can produce as cheaply and efficiently as the Americans. There must be a drastic downward revision of American tariffs if world trade and prosperity is to be restored. If Canadian industry is to benefit when that takes place we must have the most efficient production here.

That is a point which Canadian management, Canadian research and Canadian labor must keep in mind.

Napier Moore's ScratchPad

WE WERE CHATTING with a group of newspapermen the other night when a government trade official joined in the conversation. With congenial skill, in a few seconds he had everybody talking about the Canadian Trade Fair which opens in Toronto, May 31.

He waxed eloquent about its size. He said it would be bigger than the British Industries' Fair. The press looked so interested that he joyously followed through with his swing. "Yes," he said, "the exhibits cover so much ground that we'll take you fellows on an eight-and-a-half-mile walk. . ." Which was as far as he got. By a strange coincidence the entire galaxy of journalism suffers from fallen arches.

Incidentally, the CBC's International Service will broadcast the Fair in a dozen different languages. About the only language that will not be aired is that used by intending visitors who neglected to make early reservations for sleeping accommodation. From outside points 35,000 people are coming; 10,000 from overseas. Not only are all Toronto hotels booked to capacity, but so are 13 inns in Hamilton. Various official bureaus have been working overtime filling up tourist homes.

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IN THE MATTER of efforts to make Canadians internationally minded, we were stricken speechless last Saturday in Ottawa. Walking along Sparks Street we noticed in a haberdasher's window a display of men's underwear shorts entirely illustrated with maps. We mean the shorts were made of fabric on which maps were printed. The model we gazed at had for its right leg a map of Manchuria. The left leg was colorfully patterned with the Islands of the North Pacific. Fascinated, but suspicious that the whole thing might be a gag, we sneaked into the store and discovered a counter filled with a variety of these garments neatly packaged in Cellophane. Should Canadian men succumb to this New Look, the golf club locker room is going to look like a branch of the Royal Geographic Society.

• • •

A POST READER in Edmonton wants to know if we can tell him the real origin of the term "Bluenose" as applied to Nova Scotians. Oddly enough, what seems to be the most reasonable explanation came to us from Alberta. Twenty years ago, as editor of Maclean's Magazine, we broadcast an appeal for information on the subject. Among many letters giving various explanations was one from John Eldrick Fraser, Secretary-Treasurer of Wetaskiwin. He reported that the people of Peterhead, on the Northeast coast of Scotland, always called the folks in the neighboring town of Fraserburgh "Bluenoses." Fraserburgh is near Kinnaird Head, a promontary of bluish color nosing out into the ocean. And Mr. Fraser said it wasn't difficult to imagine an old fishing skipper saying to his son, "Steer for that blue nose of land." Peterhead's cliffs, on the other hand, are red sandstone, and the Fraserburghers spoke of the Peterheadians as "Red noses."

In the old days, ships chartered by the Hudson's Bay Company, en route to Newfoundland and Nova Scotia via the Orkneys, used to pick up trained sailormen at Fraserburgh and Peterhead. Many of them settled in Nova Scotia. And if a Peterhead man ran into a Fraserburgh man he would at once dub him "Bluenose."

As Fraserburgh was settled as far back as 1592 we think this explanation has more weight than claims that the soubriquet came from the name of a potato grown in Nova Scotia; or that it originated when the Loyalists, at the time of their expulsion from the U. S., called themselves "True Blues," which Yankee derision corrupted to "Bluenoses."

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THE POST'S STAFF worked all through Tuesday night handling the budget. As Scratch Pad goes to the printer on Mondays we don't know how many thousands of words they waded through. But we happened to run into the Finance Minister over the week end. Taking the utmost care to avoid precipitating another Dalton incident, we merely asked him how long he expected to be on his feet. He said, guardedly, about an hour and a half. Having listened to the Minister in the House, and being a onetime shorthand reporter, we estimate Mr. Abbott speaks at a rate of about 150 words a minute. So there'd be something like 13,500 words in the budget speech; or the equivalent of two magazine short stories.

After days and nights spent in working on budget speeches finance ministers are generally supposed to show signs of strain. Mr. Abbott looked the picture of health and energy; didn't appear to have a care in the world.

Stop Me If—

The young man who had been calling frequently at last went to see Mabel's father.

"It's a mere formality, I know," he beban, "but we thought it would be pleasing to you if it were observed in the usual way."

"And may I inquire," the father asked, "who suggested that asking my consent to Mabel's marriage was a mere formality?"

"Mabel's mother."

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To slow music, the film showed the poor old mother, discarded by her cruel children, trudging wearily along the road.

The pathos of it brought tears to the eyes of the well-dressed woman in the costly loge seat, and the small boy with her heard her sob.

"Don't worry, mother," he said comfortingly. "When I grow up I won't let you go to the workhouse like that, I'll get you a taxi."

—Cartoon by Grassick.

SHE'S STILL THERE, MR. ABBOTT.

Post Scripts

He Got Around

Election of James Irwin Robinson to the presidency of Crane Ltd. climaxes a career of more than 50 years in the field of engineering equipment and supplies. Forty-one of those years Robinson has spent with the one firm.

MR. ROBINSON

Born in 1879 near Prescott, James Robinson's parents were descendents of United Empire Loyalists who had settled on Crown grant land in Upper Canada. The grant, dated 1796, is still in the possession of the Robinson family. After attending high school for two terms young Robinson left to work on his father's farm.

At 16 he hired himself to a neighboring farmer and at the end of nine months he had saved all his pay — except for a pair of high cow-hide boots and a suit of overalls. With the money he paid his tuition at a business college in Ottawa. Six months later he was off to New York. There he got a job with a firm of steamfitters' and engineers' supplies. Then followed two years with the New York Central as a fireman. Following a bout with typhoid Robinson left the railway for the boiler room of the Knickerbocker Theatre — on the midnight shift. Following that he moved around the country first on the Jersey Central Railroad, then back to Canada harvesting wheat, up to the lumber camps and finally out to the west coast.

Looking around San Francisco Robinson spied the name of Crane Co. which was then located in sheet iron shacks. He got a job as bookkeeper and in six months was out on the road as a salesman. This apparently was the spot Robinson had been looking for since he landed some of his firm's biggest accounts.

During World War I Robinson returned to Canada and served with the Canadian Engineers. After discharge he was given the position of sales manager for Crane Ltd. whose Canadian valve and fitting factory went into operation the same year. Shortly after he was appointed general manager of sales for Canada and in 1927 was elected a director. He was appointed vice-president and general manager in 1937.

In 1936 Robinson undertook to rehabilitate his old farmhouse. He had a five-year plan which was proceeding nicely when the war came. He thinks that he and his brother and nephew have built up one of the most modern dairy and hog farms in Eastern Ontario. He trys to spend week ends at the farm and he hopes to retire there.

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New Publisher

New publisher of the Winnipeg Tribune, one of the Southam newspaper chain, is Arthur W. Moscarella. He succeeds Dr. Wesley McCurdy who retires after 48 years in publishing and advertising, some 24 of them being with the Tribune.

MR. MOSCARELLA

Moscarella started his advertising apprenticeship in Great Britain with Gordon Selfridge, U. K. merchandizing genius. Born in London, England, in 1893, he was educated in English public and private schools. His job with Selfridge's brought him in touch with the Old Country offices of the Hudson's Bay Co. and in 1910 he came to Winnipeg to join its staff.

He started in the company's mail order and catalogue work. Soon after he established an advertising agency of his own which he carried on until offered a position as advertising manager of the Regina Trading Co. at Regina. While there he founded the first Advertising Club in the Saskatchewan capital and was its first president. In the first world war he directed the city's Victory Loan Campaigns.

Returning to Winnipeg late in 1918 he joined the advertising department of the Tribune and was appointed national advertising manager in 1919. He was advertising director in 1920, business manager in 1938, and assistant publisher on Christmas Eve, 1946.

Apart from his associations with the Tribune, Moscarella has been active in many organizations of community activity. He is president of the Motor Country Club, a director of the Knowles School for Boys, a member of the Board of the Boy Scouts Association, and a director of the Winnipeg Better Business Bureau.

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Jewelers' Chief

New president of the Canadian Jewelers' Association, David E. Hutchison, formerly of Winnipeg, has been in the jewelry business for nearly the lifetime of the organization he now heads. He was elected at the recent annual meeting in Vancouver.

MR. HUTCHISON

Jewelers in Canada united in 1918 as a national body, partly for the purpose of protesting against a war tax which at the time threatened existence of the ancient craft. Representations were made to Parliament, to the Senate, and to the Minister of Finance, with the result that in December, 1920 the Government announced removal of the tax. Encouraged by results of joint effort, members of the association decided to continue it and steps were taken to co-ordinate its work as a contribution for benefit of the trade.

At the time of organization Hutchison was just out of school. Born and educated in Winnipeg, he was working at his first job as a junior clerk in the freight department of a railway office. The Winnipeg strike of 1919 started in May and when a group of freight handlers quit work Hutchison didn't know what to do. Wandering along a side street a few days later he saw a sign on the work shop of D. R. Dingwall, Ltd., a pioneer jewelry firm of the West, "Boy Wanted" to learn jewelry trade. He applied for the job, got it, and started as an apprentice. He persuaded his employer to give him a job in the retail store. Popular with customers, one of them whom he often used to serve, the late A. R. McNichol, dropped a suggestion that he ought to go into business on his own. Hutchison made it plain there was one hurdle to this, namely, lack of capital. McNichol kept dropping hints that this might be overcome.

The end was that with McNichol's help Hutchison and a partner started their own business in 1928 under the name Johnson-Hutchison Ltd. Some year's after McNichol's death Hutchison paid off the liability and acquired the business for himself.

Careful management over the years marked Hutchison as one of the city's outstanding businessmen and also made his business one of the most successful of its kind in Winnipeg. Last February the chance came to acquire an old-established business which had operated for 40 years in Vancouver and Hutchison opened a branch at the coast which he now carries on himself.

What Others Are Saying

Editorial of the Week

The Only Way

Vancouver Province

Victoria and District Trades and Labor Council has given Canadians a lead how to banish Communism without giving the fellow travelers any opportunity to make martyrs of themselves or an excuse to "go underground."

The Victoria Labor Council has pledged itself to fight Communism by helping to remove the dissatisfactions that breed Communism.

Greater co-operation between free and democratically controlled trade unions, greater friendship and co-operation between labor and management, greater understanding by employers and employees of the others' problems—these are the weapons the Victoria Labor Council proposes to use against Communism.

They are, a good many Canadians believe, better weapons than all the anti-Communist laws our parliaments could pass. It is obviously futile to try to legislate ideas or ideals out of existence. But continual demonstrations and the weaknesses, short-sightedness and danger of such ideas and ideals will eventually dissolve them more effectively than any statute could ever do.

Other People's Views

CANADA'S BEST TAXPAYERS are the people of British Columbia claims the **Vancouver News Herald.** "For the year ended March 31, 1948, collections of federal income tax in B. C. totalled $66,517,175 and corporation taxes $48,621,456, making a grand total of $115,138,631. On the basis of B. C.'s present population of more than one million, this means a contribution to the federal coffers, on these two accounts alone, of approximately $1.15 per head." This explains the Herald is the same rate as Ontario, but much higher than Quebec and very much higher than the Prairie Provinces.

REDS ADVERTISE SPY FILM says the **Windsor Star** of the street ruckus when the Iron Curtain opened in New York. It predicts: "It will be surprising if Moscow doesn't severely reprimand the Communist leaders in New York responsible for the picketing. The Kremlin will know that such actions only calls attention to the picture. When the espionage disclosures were made the Moscow line was quite different. It was to minimize, to ignore the espionage, in the hope it would be forgotten as soon as possible. From the Soviet viewpoint, that was the smart attitude to take."

THE VANISHING ART OF BLACKSMITHING is making its last stand in the cities, the **Montreal Star** remarks, on noting that the lone blacksmith of Paris, Ont., is considering hanging up his leather apron after making music on his anvil for 60 of his 85 years. "There are, of course, still blacksmiths. As long as there are horses, they will be found somewhere. Consultation of the 'yellow pages' reveals that there are no fewer than 14 in Montreal. The last stand of a rural craft may be made in the city. But they grow fewer and farther between, and soon the man who can tell of having watched one will rank in distinction only a step below the man who can remember the passenger pigeon."

NEWFOUNDLAND will not be favorably impressed by the provincial bickering going on in Canada, thinks the **Summerside (P.E.I.) Pioneer,** which sees great differences between East, Centre and West.

"The West has been in open revolt against the privileges accorded the smug central provinces for some time now, and has shown its dissatisfaction with the status quo by straying away from the two time-honored political parties of Canada. The East, made up largely of people whose ancestors were Canadians a long way back, are infused with a staunch loyalty to the conventional political pattern in Canada and it will take a lot of injustice and neglect to make them forsake their old loves. But injustice and discrimination like an ocean fretting the rocky bastions of a rugged coast will sooner or later eat into the hearts of these stubborn loyalties and cause them to waver and change. Meanwhile the shrewd Newfoundland voters will probably decide that adoption into a family bickering so vigorously over their rights and privileges is not the thing for them."

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Ottawa: Kenneth R. Wilson, 260 Irving Avenue, 3-0647.

Montreal: Howard Gamble, Dominion Square Bldg., MA. 2331.

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May 22, 1948

All Tariff Changes Are Downward Based on Geneva Pact, Abbott Says

Herewith the text of Finance Minister Abbott's budget address on proposed tariff changes:

When I presented the budget last year, I referred to the tariff negotiations which were then taking place at Geneva under the sponsorship of the Economic and Social Council of the United Nations. These negotiations were successfully concluded in October. The results are embodied in the General Agreement on Tariffs and Trade which was made public on November 18.

The successful outcome of these negotiations has been a most encouraging development in the international efforts that have been undertaken since the end of the war to establish better economic relations between nations.

This General Agreement is the most comprehensive international agreement ever concluded for the reduction of barriers to trade, having regard both to the volume of world trade affected and to the scope of the undertakings.

The reductions and concessions in tariffs which each of the 23 participating countries and separate customs territories represented at Geneva agreed to grant one another apply to approximately one-half of total world imports.

Four 1948 Deals

At the conclusion of the Geneva Conference, eight of the participating countries, including the United States, the United Kingdom and Canada, agreed to make these reductions effective provisionally as from January 1, 1948. Since that date, four additional countries either have brought their concessions into provisional effect or have indicated their agreement to do so in the near future.

Consequently, Canada is at present receiving the benefits of the Geneva reductions on a very large part of her total export trade. Similarly, Canada has granted the Geneva concessions in the Canadian tariff to the other signatories since the beginning of the year.

The Canadian concessions were extended provisionally by Order in Council under the authority granted to the Governor in Council in the Customs Act. The Canadian concessions negotiated at Geneva will be brought into effect finally, and the General Agreement will be ratified, only after the approval of Parliament has been secured. The Agreement was submitted to Parliament at the opening of this session, and is now before the Standing Committee on Banking and Commerce where it is being examined in detail. The further legislation necessary for the implementation of the Agreement will not be proposed until after the Committee's report has been received.

Two Main Changes

The Budget resolutions concerning tariffs and customs which I am introducing at this time are confined to two matters.

It is proposed to make a number of adjustments in the existing tariff to bring it into line with present needs and conditions.

It is further proposed to make a number of changes designed to facilitate the importation from the United Kingdom of important supplies which we need in Canada and in respect to which the United Kingdom has been experiencing particular difficulties in her efforts to re-establish her prewar position in this market.

All Changes Downward

The adjustments in the tariff which I am proposing are all downward adjustments. No increases are proposed. Some of the reductions are designed to take account of technological changes which have occurred in the last few years, some would effect reductions in costs of production, some would remove complexities and facilitate administration, and a number would embody reductions already made by Order in Council in response to immediate circumstances that have arisen from time to time.

In general, the changes proposed would affect some reductions in costs of operation in a number of important industries including the mining industry, the building industry, and in certain parts of the dairy products industry.

Cotton and Rayon

Among the resolutions which I am introducing tonight, there is a proposal to suspend temporarily the British Preferential duties on cotton and rayon piece goods.

The United Kingdom has for many years supplied an important part of our requirements of these commodities. During the war, the United Kingdom was unable to keep her place in our market. Since the end of hostilities, continued efforts have been made to restore the production and exports of this great staple of British trade.

However, the shipments which the United Kingdom has been able to make to Canada have not increased as rapidly as we had hoped both from the standpoint of what our consumers need and from the standpoint of our desire to reduce the large gap in our balance of payments with that country.

At present, British exporters of cotton and rayon piece goods are encountering difficulties in their efforts to expand sales to Canada because their laid-down prices in this country, after payment of duty, are higher than what our converters and consumers can afford to pay. The proposal to suspend the duties temporarily would help to reduce the obstacle arising out of the price situation.

We have received assurances from the United Kingdom that the reduction in landed prices made possible by any removal of duties would be passed on to Canadian buyers.

We have been assured also that steps to see that the target which has been set for shipment to Canada of 80 million yards of cotton piece goods in 1948 will be met.

With these assurances, the suspension of duties should make it possible for Canadian consumers to obtain essential supplies of cotton and rayon piece goods at lower prices and in substantially larger quantities than would otherwise have been the case.

Suspend till June 30, 1949

I am therefore proposing that the British Preferential duties on cotton and rayon piece goods be suspended until June 30, 1949. There will be an opportunity to review this whole matter on the basis of the results achieved before that date.

In accordance with our commitments in the Geneva Agreement, under which prefenential margins may not be widened, the proposal to suspend the British Preferential rates on cotton and rayon piece goods includes a reduction in the most-favored-nation rates on these items by the same amount until June 30, 1949. However, the imports of cotton and rayon piece goods from scheduled countries are limited by the quota under the Emergency Exchange Conservation Act.

Special Dumping Duty

Finally, among the resolutions pertaining to tariff and customs matters, I am including a proposal which would enable the Governor in Council to relieve certain goods or classes of goods from special dumping duty. Under this proposal such relief could be granted in cases where the Governor in Council determines that the importation of the goods is necessary to meet essential requirements in Canada or could be used to advantage in Canada without causing hardship to Canadian producers. In view of continuing scarcities, it is clearly desirable that it would be possible to grant relief from dumping duty in such circumstances.

It is estimated that these reductions in tariff duties will result in a reduction in revenue of some $12 to $14 million dollars in the current year.

Extra Exemption From Income Tax To All Over 65

Following is the text of changes announced by Finance Minister Abbott in the Income War Tax Act this week:

Resolved that it is expedient to introduce a measure to amend the Income War Tax Act and to provide:

1. That in addition to other deductions, a deduction from income for the 1948 taxation year of $500 be allowed to an individual who has attained the age of 65 years prior to the end of the year;

2. That, for the 1948 taxation year, interest be allowed at the rate of 2% per annum on overpayments of tax to the extent of $5,000, and ½% per annum on overpayments in excess of $5,000, (no interest less than $1 to be payable); and that the rates payable on overdue taxes be increased from 4% and 7% to 6% and 8%, respectively;

3. That special deductions from income or taxes be allowed to taxpayers engaged in exploring or drilling for natural gas, oil or minerals in respect of expenses incurred in 1949 operations on the same basis as the deductions allowed in respect of 1948 operations;

4. That, for the 1948 taxation year, no expenses in respect of the earnings of wages or salary may be deducted except where a taxpayer is an employee of a person whose principal business is transport and his duties require him to be absent from his home regularly, in which case expenses for board and lodging may be deducted; and where a taxpayer is employed to sell property or negotiate contracts, is required to pay his own expenses and performs his duties away from his employer's place of business, in which case expenses may be deducted from commissions or other fees; and

5. That the 15% income tax on nonresident persons be extended to apply to patronage dividends paid on or after May 19, 1948.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADA CRUSHED STONE 1947 net profit was $116,125 ($85,214). Volume of business showed a good increase over the previous year, the annual report stated. Present outlook seems to point to another year of satisfactory operations. During the year $124,757 was spent on machinery and equipment, as part of a general plan of modernizing the plant. This plan will be completed over the next few years and should greatly increase efficiency of operations, it is said.

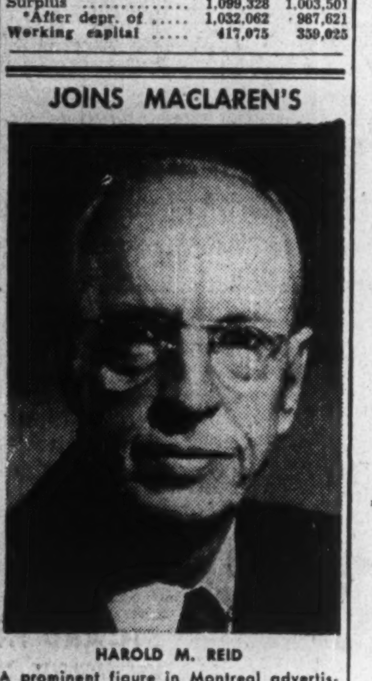
INCOME AND SURPLUS ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$294,633	$223,237
Less: Depreciation	81,607	54,072
Income taxes	96,901	83,951
Net profit	116,125	85,214
Less: Divds. paid	25,496	25,496
Surplus for year	90,629	59,718
Earnings per Share and Dividend Record:		
Common: Earned	$1.82	$1.34
Paid	0.40	0.40

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$395,951	$360,089
Accts. rec.	103,212	64,423
Inventories	38,570	35,803
Total curr. assets	537,733	460,315
Misc. assets	58,817	69,518
Fixed assets*	1,260,836	1,212,358
Total assets	1,857,386	1,742,191
Total curr. liab.	120,658	101,299
Capital stock	637,400	637,400
Surplus	1,099,328	1,003,501
*After depr. of	1,032,062	987,621
Working capital	417,075	359,025

JOINS MACLAREN'S



HAROLD M. REID

A prominent figure in Montreal advertising agency circles for 30 years, who has been appointed to the senior executive staff of Maclaren Advertising Company Ltd. Mr. Reid will make his headquarters in Maclaren's Montreal office. *

R. B. ROLLAND

has been appointed vice-president and secretary-treasurer of Paradis & Sons Ltd., Montreal, lumber manufacturers and wholesalers.

End Sales Tax On Some Foods

Following is the text of the section of Finance Minister Abbott's budget proposals, removing the sales tax from food items:

Resolved that it is expedient to introduce a measure to amend the Excise Tax Act and to provide, effective on and after May 19, 1948:

That the sales tax on the following list of articles be repealed:

(a) shortening; soups, rice, yeast, yogurt, barley, split peas, peanut butter; biscuits, cookies and similar articles; pastry, cake, biscuit and similar mixes; cereal breakfast foods, not including beverages; foods prepared and sold exclusively for feeding infants; fruit, canned, frozen, dried or evaporated; fruit juices which consist of at least 95% of pure juice of the fruit; jams, jellies, marmalades and preserves; corn syrup, table syrups and molasses; meats and poultry, cooked, canned, frozen, smoked, or dried; canned fish; spaghetti, macaroni and vermicelli; vegetables, canned, frozen or dehydrated, but not including pickles, relishes, catsup, sauces, olives and similar goods; vegetable juices.

CITY OF MONCTON has sold an issue of $235,000 3%-3¼% debentures at 100.04, on a cost basis of 3.19%. The debentures, maturing 1-10 years on June 1, 1949, to 1958, were purchased by the Canadian Bank of Commerce and Royal Securities Corp.

News of Advertising

L'Action Catholique, Quebec City, believes its recent readership survey was first one made by an outside organization for a French daily newspaper in Canada. Results of study, conducted by Canadian Opinion Co., are now being distributed to trade in booklet form. Survey is said to have explored qualitative as well as quantitative status of the paper among readers. Readership check of a Thursday issue found foreign news items average 47.8 for men, 31.5 for women; editorials 36.3 for men, 31.1 for women.

* * *

Harold F. Stanfield Ltd. announces two appointments in Toronto office: Eric P. Blenkarn becomes director of the plans board, and Les McMahon, senior account executive. Both were formerly with McKim Advertising Ltd.

* * *

Technical Advertisers' Association of Montreal has elected B. McK. Davey, Rudel Machinery Co., president for 1948-49. H. S. Putnam, Canadian Marconi Co., is past president. Other officers are Frank Wright, Cockfield, Brown & Co., vice-president; Malcolm Byers, Crane Ltd., secretary: and F. B. Thompson, Harry E. Foster Agencies, treasurer.

H. T. Markey, Dominion Textile Co.; G. H. Tessier, James Robertson Co.; and Hugh Kennedy, McKim Co.; are two-year directors. E. H. Woodley, Northern Electric Co., is one-year director. C. A. King, Daily Commercial News and Building Record, is director (associate members).

* * *

Harold M. Reid has been appointed to the senior executive staff of MacLaren Advertising Co. with headquarters in Montreal office. He has been a prominent figure in Montreal advertising circles for 30 years.

* * *

Toronto's recently-formed Art Directors' Club has applied for membership in the National Society of Art Directors, a U. S. body which is becoming international. Last week's meeting also brought an informal shop-talk with Walter Kield, vice-president and art director, Young and Rubicam, New York. Indirect result of the new club in Toronto, first of its kind in Canada, may be greater recognition for Canada's commercial artists, annual shows to display their work, some lessening, perhaps, of the migration of young artists to United States.

* * *

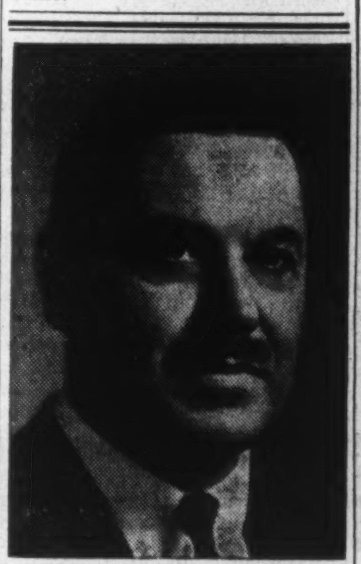
The James Fisher Co.'s advertising for Tide Water Oil Co. enters radio field for the first time with a series of spot announcements over selected Toronto and Montreal stations. Publication advertising will appear in week end newspapers and selected list of commercial and industrial papers across Canada.

* * *

O'Brien Advertising Ltd. is handling promotion for "year round" facilities now available at Painter's Fishing and Hunting Resort, with locations on both sides of Campbell River, Vancouver Island salmon fishing ground. Comprehensive booklet explaining facilities has been prepared, as well as color folder to be placed in travel bureaus and agencies along the west coast. Space has been taken in western travel media.

* * *

The Harvester, published by International Harvester of Canada Ltd. received a "Highest Award Certificate" at seventh annual conference of International Industrial Editors at Milwaukee, Wis. Award was made in internal (employees magazine) letterpress class "in recognition of exceptional accomplishment of purpose, excellence of editorial content, and effectiveness of design." This is second award for The Harvester, edited by Malcolm C. Cline.



DANIEL W. McMANUS

Mr. L. T. Ridler, General Manager, Elizabeth Arden of Canada Limited, announces the appointment of Mr. Daniel W. McManus as Sales Manager.

Having joined Elizabeth Arden of Canada Limited early in the year, Mr. McManus brings to his new position 14 years of association with the Toilet Goods Industry. During the war he was 4 years in the Canadian Army, serving both in Canada and Overseas, with the rank of Major. *

Government and Corporation Securities

Enquiries Invited

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Limited

Business Established 1889

TORONTO MONTREAL WINNIPEG VANCOUVER
VICTORIA NEW YORK LONDON, ENG.

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PROVINCE OF ONTARIO
3% Debentures
Maturing April 15, 1965
Price: to yield 2.98%

PROVINCE OF NOVA SCOTIA
3¼% Debentures
Maturing May 1, 1962
Price: to yield 3.15%

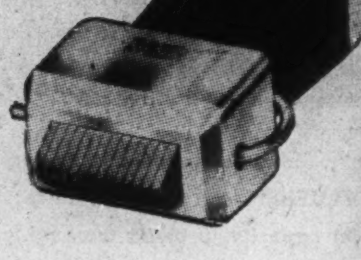
NESBITT, THOMSON
& COMPANY, LIMITED
38 King St. West, Toronto, Ont.

SAVE AN

use "SAFETY" MARKING TOOLS

BARNARD STEEL STAMPS ARE SAFE, DEPENDABLE, LONG-LASTING

Workmen have a feeling of security when they use Mecco Alloy steel "SAFETY" stamps. This special steel eliminates dangerous mushrooming and spalling. This is vitally important when it is necessary that stamps be struck severe hammer blows. Deeper, clearer cut impressions, a minimum of stamping fatigue and longer service result when these special "SAFETY" stamps are used in your shops.



Knurled sides of "SAFETY" Wedge-Grip stamps assure positive grip — regardless of workman's greasy fingers or greasy stamps. Only two of the many types of these Barnard stamps are illustrated. No matter what your need we can supply the one to fit the job. Write for our illustrated catalogue today.

ASK FOR "SAFETY" MARKING TOOLS CATALOGUE

H. BARNARD STAMP & STENCIL CO. LTD.
8 GEORGE ST., HAMILTON, ONT.

Our staff of harpists

Day in and day out, the men who are responsible for Young & Rubicam's copy, layouts, and radio commercials continually harp on one idea:

The purpose of advertising is to sell goods profitably.

YOUNG & RUBICAM, LTD.
Advertising • Montreal • Toronto • London, Eng.
New York • Chicago • Detroit • San Francisco • Hollywood • Mexico City

Budget Text on the Tax Changes

Herewith the text of Finance Minister Abbott's Budget Address announcing his tax change proposals:

I have come to the conclusion that the budget this year should contain no general tax changes. There are a number of specific changes which should be made to improve our tax system and which I think can be made for that purpose, without seriously worsening the inflationary danger or offending seriously against the principles which we should follow in general. These I shall now propose and explain. They will involve reductions in taxes of types and in places where reductions will be most helpful. But they are to be regarded as exceptions rather than the rule. The general policy for this year should be to use our surplus to reduce our debt and thereby to fight inflation in the manner most suited to our type of government and our way of life.

Easier at 65

In the field of personal income taxes, I am proposing one change of significance which will, I believe, be accepted with commendation on all sides of the House. Having in mind the large number of elderly people living on small fixed incomes, and out of consideration for the particular trials and increased expenditures that usually come with advancing years, I am proposing that an additional exemption of $500 be granted to a taxpayer of 65 years of age or over. Many of these elderly people living on small pensions or other forms of fixed income with no opportunity to participate in the increased wages, salaries or profits enjoyed by other sections of the community, are particularly hard hit by the higher costs of living which present boom conditions have brought about. This group of our citizens are entitled, I think, to special consideration at this time. This special exemption follows a precedent established both in England and in the United States, and its effect in Canada will be that no taxpayer of 65 or over will pay tax until his income exceeds $1,250 if he is single, or $2,000 if he is married. This change will apply for 1948 and will cost about $5 million in revenue for a full year.

Aid Mineral Search

In order to encourage the continued search for new sources of minerals, oil and gas in the interest of developing our natural resources and conserving U. S. dollars, I am also proposing to extend for another year the allowances and tax credits now granted the mining, oil and gas industries in respect of exploration and off-property drilling expenses.

It is also proposed to increase the penalty rates applying to unpaid taxes from the present 4% and 7% to 6% and 8% respectively. These higher penalties will provide an additional spur to the payment of the proper amount of tax on the due date and contribute to greater equity as between individual taxpayers. At the same time, I feel that it will also be appropriate to make provision for the payment of interest by the Government on taxes overpaid by the taxpayer. I am therefore proposing that interest of 2% per annum be paid where the amount of overpayment is $5,000 or less, and one-half of 1% on the excess over $5,000.

Defer New Tax Act

As Hon. Members and the public at large will recall, I introduced at the 1947 session of Parliament a revision of the Income War Tax Act which has become known generally among those interested as Bill 454. It will be remembered that this Bill received only first reading at that time, and was allowed to stand over for study by Members of Parliament, lawyers, accountants, businessmen and taxpayers generally throughout the country in order that we might have the advantage of the broadest possible consideration of this important measure. I may say that the opportunity thus afforded to study the Bill has resulted in a very thorough examination of its provisions and the various individuals and organizations which have submitted briefs are to be congratulated on the constructive nature of their suggestions. These have been of great assistance to myself and to the officials engaged in redrafting the Bill.

In keeping with the intention I announced last year, I plan to reintroduce the revised Bill as soon as the budget resolutions have been disposed of in the expectation that the new measure will be enacted this year. However, because its final passage may not come until towards the middle of the year, I am now proposing that its effective date be postponed until the beginning of 1949, rather than have it apply retroactively to the beginning of the present year, as I had earlier planned to recommend. Anticipating the adoption of this proposal by Parliament, I will introduce some minor amendments to the present Income War Tax Act applicable to 1948 which will anticipate certain features of the new Bill that it is felt desirable should be brought into effect for the present year. These amendments are of relatively minor importance and will be dealt with fully when we are discussing the 1948 amendments to the Income War Tax Act.

The Commodity Taxes

In the field of commodity taxes, I have felt it necessary to frame my proposals in the light of the Government's general fiscal program, and am, therefore, not proposing any sweeping or drastic reductions in tax rates. I have considered, however, whether anything might be done by way of a direct contribution toward reducing the cost of living at one of those points where it has been felt most acutely, that is, in the cost of food, and where it would create little additional inflationary pressure.

As a positive step in this direction I have decided to propose to Parliament that substantially all of the items of food not now exempt from the sales tax be put on the exempt list from tomorrow onward. As I have said before in this House, most of the standard food items such as bread, butter, milk, cheese, eggs, salt, sugar, fresh fruit and vegetables, and fresh meats are now exempt from sales tax, and the items taxable at the present time are comprised largely of canned, packaged, processed or otherwise prepared foods. Under the proposed change practically all the items in this latter group will be exempt from tax.

In general the new exemptions will include fruits and vegetables, whether canned, frozen or dehydrated, including jams, jellies and marmalade; fruit and vegetable juices; prepared meats and poultry, whether canned, smoked, cooked, frozen or dried; canned soups; canned fish; prepared cereal breakfast foods excluding beverages; biscuits and cookies; yeast and ready mixed flour preparations; spaghetti and macaroni and one or two other items of lesser importance. The revenue loss involved in granting these exemptions will be of the order of $20 million in a whole year.

Hopes for Price Cuts

It is my hope that the removal of the 8% tax from this long list of items will result in a reduction in prices as soon as the reduction can be passed along to consumers. I appreciate that this tax is imposed at the point of manufacture or wholesale distribution, and has already been paid, therefore, on goods now in stock in retailers' hands.

At the same time, I wish to make the position clear that there will be no refunds or credits of tax to manufacturers or wholesalers in cases where they accept the return of goods previously delivered in respect of which taxes are repealed by this budget.

Favors Alarm Clocks

Again having in mind the needs of the average household, I am proposing that the 25% retail purchase tax be lifted tomorrow from silver-plated knives, forks and spoons and from alarm clocks of a retail value of $10 or less. This change will remove from the scope of the retail sales tax, items of common use in the home. I am also proposing as a measure of alleviation to the blind that Braille watches be exempt from the tax. The revenue reduction involved in these changes will amount to about $600,000 for a full year.

Fun and Betting Tax

Members will recall that a year ago the Dominion Government withdrew its gasoline tax on the ground that this field was one that had been traditionally occupied by provincial governments and had been entered by the Dominion under the emergency conditions of wartime. It will be recalled, too, that on several occasions it has been represented to the Federal Government by Provincial Governments that the Dominion should also withdraw from the other fields in which the Provinces have been normally regarded as having a particular interest. These included principally the Dominion tax on the consumption of electricity, which was withdrawn last November, and the Dominion tax on amusements and pari-mutuel bets.

In regard to these latter two fields I am proposing that the Dominion taxes cease to be imposed from tomorrow onward. This amendment will apply to the 20% tax on admissions to theatres, etc., the 25% tax on expenditures in other places of entertainment and the 5% tax on pari-mutuel bets. Our revenue will be reduced by an estimated amount of $23,500,000 a year as a result of dropping these taxes. May I be permitted here to express the hope that in these cases where the Dominion Government removes taxes on this kind and withdraws from the field, the taxpayers of Canada will receive the benefit of such action and that, so far as possible, provincial taxing authorities will refrain from stepping in?

Cut Import Tax

In another field I am proposing that the 3% excise tax on imports from general tariff countries be repealed. The tax in its present form is a vestige of a levy first imposed in 1932 which applied originally to imports from all countries. Its scope of application has been gradually narrowed until at the present time it serves only as a needless encumbrance to trade with a relatively limited number of countries. The revenue from this source last year was about $2,100,000.

Tax On Vinegar

Several other miscellaneous changes of a minor character are also proposed. The tax of 60 cents a gallon on spirits used in making vinegar will be removed. This tax was intended to encourage the production of cider vinegar but I understand has not had this effect, and at the present time only increases the consumer cost of a food item in widespread use.

Tax on Matches

A minor change will be made in the tax on matches by adding an extra bracket in the rate schedule to apply to books or packages containing a very small number of matches.

Movie Projectors Cut

As a result of representations I have received from religious and educational leaders to the effect that the 25% tax imposed on 16 millimetre projectors for films and slides is discouraging the further use of such projectors in schools, churches and other institutions, the tax will be removed from 16 millimetre projectors.

Wheel chairs for the use of invalids will be exempt from the sales tax, and other minor amendments affecting hay binders and presses and rope used by fishermen will also be made in the sales tax.

Succession Duties

I wish to outline two significant changes that I will propose in the field of succession duties. The House will recall that the Dominion entered this field for the first time in 1941. We entered it not as a temporary wartime measure but as a permanent step in a direction which we felt might eventually lead to a national uniform system of death duties. This end was further promoted by the withdrawal of the death duties imposed by the seven provinces which entered into the Dominion-Provincial Tax Rental Agreements. It is, therefore, a fact that the measure of relief I am about to propose is possible to a large extent because of the assurance I have that as a result of the provincial agreements it will be fully effective in at least seven of the provinces.

The measure that I have particularly in mind in this connection is that whereas in the past the smallest size of estate subject to Dominion duty has been $5,000, I am proposing that no estate of a person dying on or after January 1 of this year will be subject to duty unless it exceeds $50,000.

In effect, this means that the Dominion Government is withdrawing completely from the field of succession duties as this affects the smaller estates. The significance of this change will be realized when it is considered that about 90% of the estates of deceased persons in Canada will henceforth be completely free of Dominion duties.

This relief will result in a great saving in the administrative burden of handling a great volume of small estates, will expedite the settlement of the affairs of many deceased persons and, above all, will relieve the beneficiaries of these estates of any Dominion duty on the bequests they receive. It is estimated in this connection that at the present time in a full year the revenue loss involved in this change will be in the neighbourhood of $5 million.

Encourage Bequests to Charity

I am suggesting another change as a measure of encouragement to charitable bequests. Whereas, under the present law, up to one half of an estate may be left for charitable or educational purposes exempt from succession duty. In the future this limit will be removed and any amount of the estate may be given to charity free of succession duty. This measure has been urged for some time by religious and educational leaders, and in a society where our great public institutions still depend to a large extent on private support I feel that a measure of this sort is justified in the general public interest.

There will also be several other minor changes of a technical character in the Succession Duties Act of which the principal will be to define the basis of share situs in the case of companies as the place of incorporation of the company, the basis now generally adopted in our succession duty treaties with other countries.

All these amendments to the Succession Duties Act will be effective as from the first of this calendar year.

ARTHUR SIMON

has become chairman of the board of H. Simon & Sons Ltd., Montreal, of which he has been president for 20 years.

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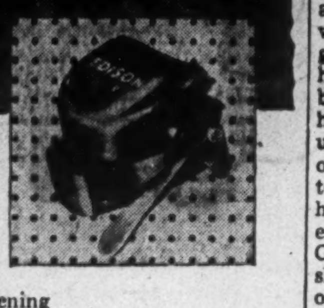

YOUR race against the hour hand . . . with success in business the prize . . . is now easier to win. Talking alone . . . with electronics listening in . . . saves time and money . . . permits more efficient use of both.

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THE SICARD MASTER FLUSHER

SCOURS STREETS—PROMOTES GOOD HEALTH!

A clean community is a healthy one. There's a whale of a difference in just dampening the dirt on your streets and *scouring* them. The Sicard MASTER FLUSHER really washes down streets and roadways. It has the pressure, water and jet capacity to clean thoroughly from curb to curb — even the widest avenues.

1. *Auxiliary hoses in use for washing down subway.*
2. *Four jets in full operation on a wide boulevard.*
3. *Powerful hose spray in use to control insects on refuse dumps, etc.*

There are four fully controllable and adjustable jets to permit an efficient range from narrow to the widest streets.

The MASTER FLUSHER is also equipped for spraying flowers, shrubs and trees with insecticide, and as an auxiliary pumping unit for fire fighting. The Master Flusher has many uses. For full information write:

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OIL PRODUCTION

Cement, Sawdust, Feathers Fail to Choke Unruly Well

(Special Correspondence)

CALGARY—No time is being wasted, and no effort or moneys are being spared in the continuing united efforts to clean up the unhappy situation in the Leduc oil field caused by blowout of Atlantic No. 3 well. The situation is serious, but does not warrant the hysteria generated by highly colored press reports from Edmonton. The Alberta Government, the Conservation Board, Imperial Oil, Atlantic Oils and other operators in the field have been and are working in close co-operation to bring the well under control. It has been more or less wild since March 8.

For more than two months, extensive efforts have been made to kill the well. Latest efforts: 10,000 sacks of cement pumped in three weeks ago. This was followed up by about 100 tons of assorted filler materials, including redwood shavings, sawdust, feathers, cottonseed hulls, fibre and so forth, together with much high viscosity mud. Power for the operations has been provided by remote control, from steam units quarter of a mile from the well.

Entire capacity of Imperial pipe-line system, serving the field, was made available for clearing out of oil-loaded sumps and craters surrounding the Atlantic well. To accomplish this, most producing wells were shut in. To make shutdown of normal producing operations official, the Government and the Conservation Board last Wednesday issued a special order, effective 8 a.m., May 13, stating that no oil may be produced from any well in the Leduc conservation area until further notice. There will be no shutdown of drilling operations. These will continue normally. Normal production will be halted, however, until pipe-line facilities are again available.

The Atlantic well was brought under temporary control some weeks ago, when control equipment was connected up on the 300 ft. of surface casing set in the hole. However, gas and oil burst out around outside of the casing, and channeled out through the ground over an area of about two acres around the well. Several craters have formed over the adjacent area. Total volume coming through the channels is guesstimated at 10,000 bbls. per day. Total gas flow is guesstimated at 50,000,000 cu. ft. daily.

The Petroleum and Natural Gas Conservation Board has taken full possession of the Atlantic No. 3 well in the Leduc oil field. Formal possession of the well was taken May 15, with announcement that V. J. Moroney, operations manager of Imperial Oil, Calgary, has been retained by the Board to supervise operations of bringing the well under control.

Mr. Moroney's appointment as supervisor of operations of the wild well makes him a temporary member of the P & N.G. Conservation Board, with full power to order equipment and direct efforts to bring the well under control.

Crew has installed additional blowout and control equipment at the head of the casing. Two 7-in. flow lines will be connected with the head and the well will be opened up wide through these lines. This, it is hoped, will relieve pressure and stop all or a large part of the current flow through channels around the well, and permit clearing out of oil-loaded sumps and craters.

The intention is to direct part of the well's flow through the lines back into the formation, using the nearby Atlantic No. 1 and 2 wells for the recycling. The balance of the flow will be directed into the Imperial pipe-line system.

Next step is drilling of one or more "relief wells." Such well or wells would be directionally drilled from locations adjacent to Atlantic No. 3, to tap the D3 zone close to bottom of the wild well. By taking the pressure off the Atlantic wells, such relief wells—it is hoped—would permit the final "killing" of the wild producer.

* * *

Acreage Again Offered

The 480 acres of Woodbend "Crown Reserve" rejected by the oil industry on May 4, are being offered to the industry again on May 25. The Alberta Department of Lands and Mines is calling for straight cash offers on three quarter-section tracts, one offsetting Leduc production, the other located within 2½ miles of the Woodbend Discovery. Only royalty consideration will be normal Crown royalty. Terms of the offering call for submission of sealed tenders by close of business May 25. Each bid must be accompanied by a certified cheque for full amount of cash bonus offered, plus first year lease rental (at $1 per acre), lease fee ($10), and usual $2,500 deposit (which is returnable when development is started). Each tract carries a Sept. 1 drilling commitment.

* * *

New U. S. Entrants

Honolulu Oil Corp., a large independent California and Texas producing company controlled by the Matson Steamship Co., is entering Alberta. Honolulu is coming in as an equal partner with Barnsdall Oil Co., another large American independent which established offices in Calgary several weeks ago.

Barnsdall will act as operator of the joint Alberta program, expected to develop into a large one. Manager of the project is W. Eugene Powell, Los Angeles geologist who established Barnsdall offices in Calgary. Chief geologist is Leslie M. Clark, formerly head of Shell Oil's geological department in Western Canada, who recently joined Barnsdall. It is understood that next steps in the joint Barnsdall-Honolulu program will be bringing in of a seismograph party early next month, and the securing of additional geologists and geophysicists.

Barnsdall, headquartered in New York, is an important oil producer in several American states. Its new Canadian division comes under direction of its Los Angeles office. Honolulu Oil Corp is headquartered in San Francisco.

* * *

Oil Revenue Mounts

Gross revenue from sales of Alberta crude oil and natural gasoline climbed to a new quarterly high of $6,837,654 for three months ended March 31, 1948, according to records compiled by P & NG Conservation Board. This represents an increase of $3,011,950 over gross yield in first quarter of 1947.

Chief reason for boost in gross revenue is higher scale of oil prices which came during latter part of 1947. Second reason for higher revenue—and one of prime importance to oil-short Canada—is mounting production of oil in Alberta. Oil and natural gasoline production during the first quarter of 1948 was 2,062,270 bbls., an increase of 457,076 bbls. over yield in same period last year (1,610,194 bbls). Yield in first quarter of 1946 was 1,898,217 bbls., 164,053 bbls. under 1948 first quarter figure.

CITY OF CALGARY

PROVINCE OF ALBERTA

TENDERS FOR DEBENTURES

SEALED TENDERS marked "TENDERS FOR DEBENTURES" addressed to the Chairman of the Finance Committee, City Hall, Calgary, Alberta, will be received at the office of the City Clerk, till 11.00 a.m., (M.S.T.) on Tuesday, May 25th, 1948, for the purchase of debentures of the City of Calgary, to an amount of $500,000.00.

The said debentures, in denominations of $1,000.00 each, will be 12 year Serials, with $50,000.00 of principal to be retired each year for the years 1949-1950 inclusive; and $40,000.00 per year to be retired for the years 1951-1960 inclusive.

The said debentures will bear interest at the rate of 3 per cent per annum. The debentures will be dated July 1, 1948, and principal payments will mature on July 1st of each year as per schedule attached.

Interest on the proposed issue will be payable January 1st and July 1st in each year. The debentures will be payable as to principal and interest in Canadian Funds, in the Cities of Calgary, Edmonton, Toronto, Montreal, Winnipeg and Vancouver.

Tenderers are required to state the net price to the City of Calgary for Calgary payment and Calgary delivery of the definitive debentures on July 2nd, 1948.

The proposed issue is for the purpose of providing funds for the financing of further reconversion of the City's Transit System.

The bylaw authorizing the issue has received the approval of the ratepayers of the Municipality and is subject to an Order of the Board of Public Utility Commissioners of the Province of Alberta. Each debenture will bear the endorsement of the Chairman of the Board of Public Utility Commissioners of the Province of Alberta.

Tenders will be opened at the City Hall, Calgary, Alberta, immediately after the closing hour for bids, and the City reserves the right to accept or reject any or all bids.

Maturity Date	Principal Maturing
1 July, 1949	$50,000.00
1 July, 1950	50,000.00
1 July, 1951	40,000.00
1 July, 1952	40,000.00
1 July, 1953	40,000.00
1 July, 1954	40,000.00
1 July, 1955	40,000.00
1 July, 1956	40,000.00
1 July, 1957	40,000.00
1 July, 1958	40,000.00
1 July, 1959	40,000.00
1 July, 1960	40,000.00
	$500,000.00

THE HIGHEST OR ANY BID NOT NECESSARILY ACCEPTED

CITY HALL, CALGARY, ALBERTA.

J. M. MILLER, City Clerk

TIAA Has $200 Millions Assets Behind Contracts

Teachers' Insurance and Annuity Association Writes Insurance and Annuities on Employees of Canadian and United States Colleges

A short time ago when President Norman A. MacKenzie of the University of British Columbia was elected a trustee of the Teachers' Insurance and Annuity Association of America, it was the first time many Canadians had ever heard of this 30-year-old organization.

Reasons are:

It has limited clientele, its policies being available only to employees of colleges and universities in Canada and the United States and the wives or widows of such employees.

It has no agents and does not solicit business.

It is not licensed in Canada.

This last reason on the face of it would be a drawback. But the difficulty is ameliorated somewhat by the fact that it does not solicit business in this country, while its policyholders are all in a position to know what they are buying and with whom they are doing business. Canadian policyholders, moreover, have direct representation on the board. The Association writes both annuities and life insurance. On Dec. 31 it had about $87 millions of life insurance in force of which $77 millions was individual life insurance. It also had 42,657 retirement annuity contracts. Life insurance in force in Canada on Dec. 31, 1947 was $3,800,000.

Total assets were $220.6 millions and since the company started business in 1918 it has paid out almost $50 millions in benefits to policyholders and beneficiaries. The number of individual policyholders has grown to 52,000.

No Profit to Stockholders

The T.I.A.A. is a legal reserve life insurance stock company incorporated in New York state in 1918. It was organized on the initiative of the Carnegie Foundation for the Advancement of Teaching, to issue life insurance and annuity contracts to employees of colleges and universities in Canada, the United States and Newfoundland. Its charter provides explicitly that its business shall be done "without profit to stockholders."

Carnegie Corp. of New York endowed it initially with $1 million. For some years expenses of operation were paid by gifts from Carnegie sources. In 1938 the Carnegie Corp. made a further gift of $6.6 millions. The Association's stock was then transferred to a small self-perpetuating membership corporation created by special legislation of the New York legislature. The members elect trustees for the association from year to year.

Providing retirement incomes for staff members of the educational institutions in the association is its principal activity.

The Association also issues the usual types of life insurance contracts and some special forms.

Here are some representative whole life premium rates compared with those of a representative Canadian life company (endowment at 85) in brackets: whole life insurance premiums at age 30, $20.52 ($22.19); at 40, $28.76 ($30.53); at 50 $42.48 ($45.06).

Of the total assets of over $220 millions well over $10 millions represent reserves for future benefit payments on contracts for Canadian policyholders.

A feature of the TIAA annuity contract is that it is wholly owned by the individual, so that he can move around from college to college, from college to research organization and back again to college, his contract remaining good all the time.

Collective (group) insurance plans are issued to groups of college staff members without medical examination. These contracts provide small death benefits for all staff members covered.

In 1905 Andrew Carnegie established the Carnegie Foundation for the Advancement of Teaching with a gift of $10 millions. He had become impressed with the low scale of salaries among college teachers and the lack of provision for their support after retirement, and the said foundation was the result. The idea of a college retirement plan resting on the co-operation of the college and teachers developed in the next 15 years until in 1918, the TIAA was established, its stock being held by the Foundation until 1938 when it was turned over to the board of trustees. The Association operates under New York state law, its investments being under the jurisdiction of the state department of insurance.

Canadian educational organizations with retirement or collective life insurance plans with the TIAA covering 1,600 of their members, number 15. Individual policyholders in Canada and the United States total 52,000.

President MacKenzie's predecessor as a Canadian representative on the trustee board was G. C. McDonald of McDonald & Currie, chartered accountants, Montreal.

APPRAISALS of buildings and equipment

INSPECTION EXPEDITING of buildings, materials and machinery during construction.

CHAS. WARNOCK & CO. LTD.

Montreal MA. 3777 — Toronto AD. 8842 — Hamilton 2-4173

New Issue

$5,790,000

Province of Manitoba

Debentures

To be dated June 15th, 1948

$180,000—2¾% to mature annually June 15th, 1949-1958

$3,990,000—3¼% to mature June 15th, 1963

Principal and half-yearly interest (June 15th and December 15th) payable in lawful money of Canada in the cities of Saint John, Montreal, Toronto, Winnipeg, Regina or Vancouver at the option of the holder. The Debentures of this issue are non-callable prior to maturity. Coupon Debentures in denominations of $1,000 and $500 with provision for registration as to principal.

An Annual Sinking Fund will be established with respect to the $3,990,000 Debentures maturing June 15, 1963, at 3% per annum of the principal amount thereof, commencing April 1st, 1949.

Legal Opinion: Messrs. Daly, Thistle, Judson and McTaggart.

In the opinion of Counsel, these Debentures will be direct obligations of the Province of Manitoba and principal, interest and sinking fund will be payable out of the Consolidated Fund of the Province.

3¼% Debentures, due June 15th, 1963

Price: 101.25 and accrued interest to yield about 3.15%.

We offer these Debentures, as principals, if, as and when issued and accepted by us, subject to the approval of Counsel. Subscriptions will be received, subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about June 15, 1948.

Descriptive circular available on request.

Royal Securities Corporation Limited — James Richardson & Sons

Cochran, Murray & Co. Limited — Nesbitt, Thomson & Company Limited

The information contained herein has been obtained from official sources but is not guaranteed by us.

WAR ASSETS Bulletin

TO MERCHANTS

BULK LOT SALE

Subject to prior sale or withdrawal, War Assets Corporation offers for sale on a bulk lot basis, the following:

CORNELL AIRFRAME AND ENGINE SPARES

An extensive range of CORNELL AIRCRAFT AIRFRAME SPARES located mainly at Calgary and Toronto.

RANGER ENGINE SPARES FOR CORNELL AIRCRAFT located at Toronto, Ontario. (Eligible for air use subject to A. I. D. inspection).

These spares are offered for sale on a lot basis and only offers for either or both complete ranges will be considered.

For further information and arrangements to inspect *Apply to:*

CHIEF, AIRCRAFT SALES DIVISION, WAR ASSETS CORPORATION

4095 St. Catherine Street West, Montreal, Que.

TERMS AND CONDITIONS

Offers to purchase merchandise are invited subject to the following conditions:

(a) The Corporation shall have the right to accept or to reject any or all offers in whole or in part.

(b) If any offer is accepted, sale will be on an "as is-where is" basis without warranty of any kind (except as to the Crown's title) and will be subject to the other usual sales conditions of the Corporation.

(c) On acceptance of offer, purchase price will be payable in full.

(d) Purchaser will be required to take delivery of merchandise sold (or remove from the premises at his own expense) within a time limit set by the Corporation.

Watch For Further Announcements

882

WAR ASSETS CORPORATION

Two Great Companies

Join Forces to Build Diesel-Electric Locomotives in Canada

Montreal Locomotive Works Limited and Canadian General Electric Company Limited announce a policy of cooperation in the building and servicing of diesel-electric locomotives in Canada.

Thus the engineering and production staffs of the largest manufacturer of locomotives in Canada and the largest manufacturer of electrical products in Canada will team up, using Canadian labor and materials insofar as possible, to produce this newest and most successful form of railway motive power.

The immediate benefit to Canadian railroads will be faster delivery of new equipment and better all round service facilities. Tooling up at the plants of both Companies is well underway and while initial production will be devoted to the popular 1000 hp switchers, it is expected that eventually MLW-CGE will build a complete line.

The move for a joint effort on the part of these two prominent Canadian firms follows the pattern established by their respective affiliated companies in the United States. American Locomotive Company and General Electric Company have been a team in the production of diesel-electric locomotives since 1924 and are currently supplying nearly 40% of all orders for this type of motive power to American railroads.

The first locomotive to be produced by the new Canadian coalition will be exhibited at the Canadian International Trade Fair in Toronto and then delivered to the Canadian Pacific Railway as a unit of the first MLW-CGE order.

MONTREAL LOCOMOTIVE WORKS LIMITED

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

48-RKM-IX

J. T. KEENAN

Mr. C. A. Bradbrooke, Vice-President and General Sales Manager of Rubberset Company Limited, announces the appointment of J. T. Keenan, to the office of Sales Promotion Manager for Western Canada, effective June 1st. Mr. Keenan, who was formerly the Division Manager in Vancouver, will now have his headquarters at 44 Princess Street, Winnipeg. *

LABOR ROUNDUP — By RONALD WILLIAMS

Is Wage-price Race Slowing Down? U. S. Unions Find Raises Harder to Get

All signs on the industrial front in the United States point to a definite slowing down in the inflation race between wages and prices.

The nine-year-old upward movement appears to be halted, at least temporarily. For the first time in a long time, unions are running into real difficulty getting a third postwar round of raises.

In Canada, things hardly seem to have reached this stage. Wage developments here normally lag a year behind the United States. On this basis we could expect the current U. S. trend next year.

The big blow to a third-round wage increase in the U. S. was struck by the steel industry with electrical manufacturers following through.

U. S. Steel Corp., the bellwether for the industry and to some extent for all industry, set the pattern by countering wage demands with price cuts. General Electric Co. and Westinghouse followed suit. (In Canada, steel settled for 11c an hour and pay for six statutory holidays.)

Unions complained the price reductions were too small to be considered a substitute for pay raises. But whether they liked it or not, they were behind the eight ball. A strike in the face of price cuts would be hard to sell.

Wage increases already granted have averaged around 11c an hour against a national average of 18½c in 1946 and 15c in 1947. Now the talk is that any raises awarded from now on will be somewhat less than 11c; probably between five cents to 10 cents. Chrysler Corp., now strike-bound, had offered six cents and was turned down.

Ford caused some consternation in labor ranks by countering a union 30c increase with a proposal to cut wages in the interest of "public security." The union offered to forget wages altogether if Ford "successfully exert its influence to effect a substantial rollback in the cost of living." (Wage talks in the Canadian auto industry begin next month.)

The danger in this stiffened attitude toward another round of raises is strike action. Already the U. S. is embroiled in a bitter packinghouse strike. Last week 75,000 Chrysler workers struck. The week before, only government intervention prevented a rail strike. So far there's been no concerted attempt against the no-raise line.

However, if the CIO Steelworkers decide to challenge the industry's attitude, many believe it could be the signal for another mass attack by the CIO.

• • •

Reds Direct Strike Violence

Tuesday and Friday last week were red-letter days for Toronto Communists: the Red-run CIO Electrical Workers staged the most violent demonstrations in the current strike at Rogers Majestic Radio Corp., Leaside.

On Tuesday, 500 demonstrators, drawn from UEW locals in Hamilton, Welland and Toronto, clashed with Provincial and Leaside police in a brief but bashing battle. Seven demonstrators, none of them Rogers employees, were arrested.

On Friday, the Commies employed the same strategy. Unable to muster any substantial strength from the plant itself (240 of the 400-odd employees were on the job this week) they again brought reinforcements from other plants. This time members of the equally pro-Red Canadian Seamen's Union were on hand.

The mob scenes were even more violent than Tuesday. There was also more evidence of over-all direction. At least one known Communist was among those directing the attack against police, nonstrikers and the plant gates.

They tried to duplicate the auto-blockade which the Communists used so effectively during the 1945 Ford strike. Three cars had been drawn across the road leading to the plant when 50 police were diverted to clear the road block.

This weakened police lines in front of the plant, and the demonstrators surged forward. Policemen were kicked and pelted with eggs. A police photographer who tried to take a picture of demonstrators dragging a nonstriker off a bus was knocked down.

The sequel: 15 more arrested, including UEW Secretary George Harris, a former LPP official in Toronto. On Monday (May 17) two more were arrested. This brought the total number to 36.

Of these, 14 were actually Rogers employees. But 10 of them were arrested during the first two days. Since the Commies really began to turn on the heat and bring in reinforcements, only four of the 26 arrested were employees.

Instead of strengthening the UEW hand, lawlessness was having the opposite effect. Each day more and more employees were reporting for work. The AFL Electrical Workers which is challenging the CIO union's bargaining rights was gradually getting the upper hand. They already have a majority in the tube division and were close to it in the radio branch.

• • •

Full Employment Is ILO Goal

The International Labor Organization will consider the adoption of two regulations as steps toward the objective of full employment at its annual conference at San Francisco this year. One regulation would require governments to set up national employment services; the other would provide for vocational guidance for young persons and adult workers.

Under the vocational guidance plan ILO will recommend two things: (1) public vocational guidance facilities for young persons attending or leaving school and for other young persons up to an age specified by national laws and regulations. (2) public employment counseling facilities for adult workers.

According to ILO Belgium, Canada, Sweden and United States are giving greater recognition to vocational guidance for out-of-school youth. In Canada it has been the custom to let the organization of vocational guidance grow from the local to the national level.

• • •

First Anti-Red Revolt in AFL-TLC

There are 14 Canadian unions in which the Communists have control or in which their power is great:

In The CIO-CCL

United Electrical Workers
United Auto Workers
Fur and Leather
Mine, Mill and Smelter
B. C. Woodworkers
Shipyard General Workers' Federation of B. C. (CCL only)
United Office and Professional Workers (CIO but not CCL)

In The AFL-TLC

Canadian Seamen's Union (TLC only)
International Chemical Workers
United Textile
United Garment
Lumber and Sawmill
Canadian Fishermen's Union (TLC but not AFL)
United Fishermen and Allied Workers of B. C.

In four of the seven pro-Red CIO unions there have been revolts against Communist domination in the past year; until last week, in no AFL-TLC groups.

In Montreal, the International Chemical Workers became the first pro-Communist AFL-TLC union to try to upset the Red bandwagon.

Ironically, the revolt was led by a man who was once closely aligned with the leftwing, Alex Welch, president of a Toronto local, and now a vigorous anti-Communist.

With the president of another Toronto local, James Harper, Welch accused five of the union's appointed officers of Communism.

The charges were aired during a 90-minute secret session before International President H. A. Bradley of Akron, O. His verdict: ". . . . The charges are unproven as far as I am concerned."

He warned, however, that if he got proof otherwise, the accused men would not be in the union two minutes. "I hate their (Communists) very existence," he declared, during an hour-long speech on the perils of Communism in the labor movement.

There are 90 locals in the union, 30 of which are in Canada.

• • •

Teen-agers Pawns Of Reds in CSU

Among labor men who know how the Communists work in unions, it's no secret that the Reds will use anyone they can as pawns in striking a blow for Moscow. The uninformed or inexperienced are their most useful tools.

Of the 24 Canadian Seamen's Union pickets committed for trial last week on charges of violence along the Welland canal, 22 were teen-agers. Half a dozen were 16, one was 13.

The seven who elected summary trial and were convicted last Friday were all in their teens. They got six months in jail and were fined $1,512 between them. All pleaded guilty.

As in the Rogers Majestic strike (see above) lawlessness had netted the rank-and-file unionists nothing but trouble. But their Red leaders were able to brag about striking another blow for democracy and the right to organize.

• • •

Glass Workers Want 27c Raise

Seeking to enforce demands for an increase in wages from 98 cents to $1.25 an hour, 45 members of Local 1521, International Brotherhood of Painters and Decorators (Glass Workers)—AFL took strike action May 10 against Hobbs Glass Co. and Bennett Glass Co. in Windsor, Ont.

Pickets were thrown around both plants at 8 a.m., May 10, in what Joe Durocher, business agent for the union, said was the first strike in Canada called by glass installation men.

The union also demands a union shop type of union security with a company check-off of union dues. Negotiations began last Nov. with the companies countering union demands with an offer of $1.03 an hour. The strike has been sanctioned by the international office of the union, Durocher said.

COMPANY REPORTS

TIP TOP TAILORS' net profit for the year ended Jan. 3, 1948 was up 3.2% from the year ended Dec. 28, 1946. Demand for company products continued at a high level, President David Dunkelman states. Two new store properties were acquired, and two store locations no longer required, were sold. Improvements to plant and stores are contemplated as costs and availability of building materials permit.

Net working capital increased by $233,298 to $2,326,664. Principal changes in financial position are disposal of Dominion of Canada bonds of $294,850, retirement of bank advances and increase of $368,296 in inventories.

CONS. INCOME ACCOUNT

Years Ended:	Jan. 3 1948	Dec. 28 1946
Net oper. earns.	$588,585	$540,169
Less: Deprec.	70,840	63,304
Bond int.	32,935	34,927
Inc. tax res.	183,400	169,843
Add: Invest. sale	26,480	45,667
Net profit	327,890	317,762
Less: Com. divds.	36,003	36,003
Surplus for year	291,887	281,759
Times Bond Interest Earned:		
Before depr.	17.87	15.47
After depr.	15.72	13.65
Earnings per Share and Dividend Record:		
Common	$2.73	$2.65
Paid	0.30	0.30

CONDENSED CONS. BALANCE SHEET

As at:	Jan. 3 1948	Dec. 28 1946
Cash & Dom.bds.	$116,710	$297,680
Accts. rec.	446,913	501,396
Life ins. c.s.v.	134,965	133,061
Inventories	2,453,253	2,097,242
Total curr. assets	3,151,841	3,029,379
Misc. assets▲	282,215	287,205
Fixed assets*	1,509,293	1,475,714
Total assets	4,943,349	4,792,298
Bank advances	......	53,931
Accts., tax., etc., pay.	825,177	882,082
Total curr. liab.	825,177	936,013
Funded debt	790,000	860,000
Invent. & cont. res.	270,000	270,000
Capital stock	600,000	600,000
Earned surplus▲	2,458,172	2,126,285
*After depr.	1,689,882	1,650,040
▲Incl. ref. EPT	219,000	219,000
Working capital	2,326,664	2,093,376

CKNW THE Only STATION THAT COVERS BOTH HALVES OF THE "VANCOUVER AREA"

CHURCH'S

Let the Shoe Horn be the Judge

Of course they're the famous British Church Shoes. They're bench-finished of fine Willow Calf. For dress, sports or business wear.

$23.50

CASE

TWO SHOPS... 1115 ST. CATHERINE ST. WEST, AND THE NEW Henry Marks MOUNT ROYAL HOTEL

JACK: *Hello, Bill, glad to see you again. Wish I could spare the time to go trout-fishing like you did. How was everything?*

BILL: Just wonderful—weather excellent, accommodation fine, fish biting—and I met a most interesting man.

JACK: *Do I suspect a story is coming up?*

BILL: You do! He is connected with a gold mine in South America, and a few weeks ago they had a breakdown due to the breakage of a vitally important piece of machinery. Their production was held up until it could be replaced by the Canadian manufacturer. To get it there by freight would have taken a full month, with a loss of thousands of dollars per day in production. The situation looked bad.

JACK: *Yes, I can see that, but what did he do?*

BILL: Told me he'd read an advertisement of Canadian-European Forwarders, and telephoned them in the hope they could help him. Their Air-Cargo department actually put the required part in the consignee's hands, in South America, in less than three days after the manufacturer gave it to them. The cost, of course, was negligible—and the saving enormous.

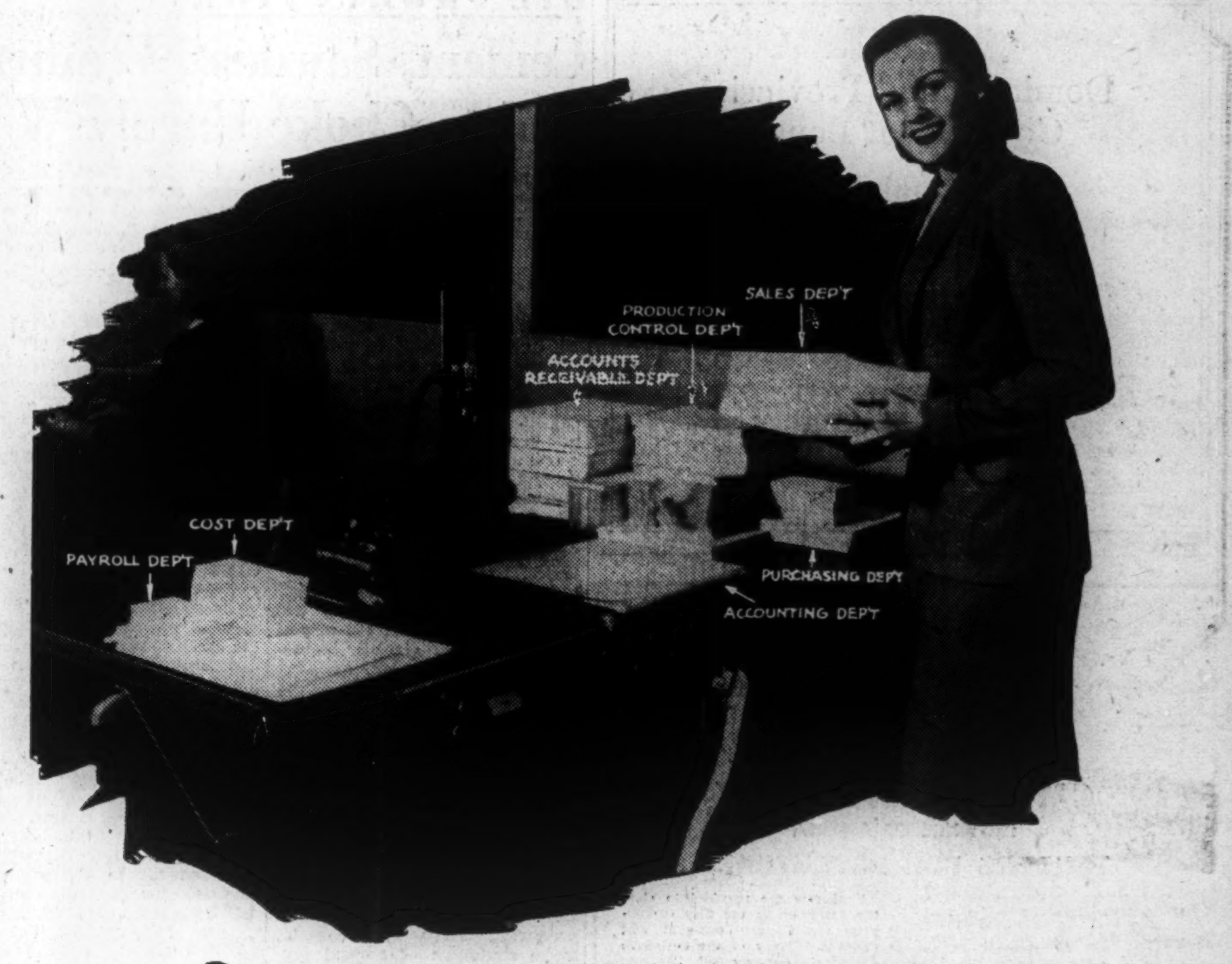
JACK: *A darn good experience. The use of Air Freight and Air Express Services certainly is growing, isn't it—and I don't know anybody better than Canadian-European Forwarders to expedite it.*

CANADIAN-EUROPEAN FORWARDERS LTD.

Canada's Leading International Freight Forwarders

Empire Building TORONTO 1

EL. 5491* (4 lines to Central)



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ONE girl in a few hours can write vital information for half a dozen or more different departments of your business. The versatile Addressograph method of mechanizing paperwork speeds the work in every phase of business.

The drudgery of writing or typing repetitive information is eliminated. Instead you put information on business forms at the rate of 5,000 words or 30,000 figures a minute without a single error!

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Addressograph TRADE MARK SIMPLIFIED BUSINESS METHODS

Write or Phone Nearest Office
ADDRESSOGRAPH-MULTIGRAPH OF CANADA Limited
Head Office and Factory: TORONTO
Sales and Service Agencies:
HALIFAX QUEBEC MONTREAL OTTAWA TORONTO HAMILTON WINNIPEG CALGARY EDMONTON VANCOUVER

KEY to WATERFOWL ILLUSTRATED
Letters in brackets show flyways used

1 GREEN-WINGED TEAL (C & A)
2 SHOVELLER (C & M)
3 AMERICAN PINTAIL (P & A)
4 REDHEAD (C & A)
5 CANVAS-BACK (C & A)
6 RING-NECKED DUCK (A)
7 BLACK DUCK (A)
8 AMERICAN GOLDEN-EYE (A)
9 CANADA GOOSE (M & A)
10 MALLARD (C & M)
11 LESSER SCAUP (P & A)
12 BALDPATE (P & A)

A vital factor in the survival of North America's waterfowl is our knowledge of the routes they travel in their spring and fall migrations. With this information we are able to provide sanctuaries where they offer the greatest number of birds a spot to rest and feed unmolested. The men who have helped to plot the flyways, devoting years of voluntary effort to banding birds, deserve the deepest gratitude from all nature-lovers.

CARLING'S

THE CARLING BREWERIES LIMITED
WATERLOO, ONTARIO

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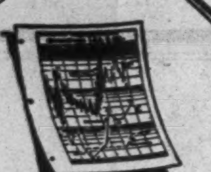
Nature Unspoiled — YOURS TO ENJOY — YOURS TO PROTECT



CANADIAN TREMBOLGRAPHS

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Thirty items of analytical information in graphic and tabular form on more than 180 Canadian Corporate Securities.

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STURGEONS LIMITED HIGHEST QUALITY PRODUCTS

Toronto 8 HA. 2135

The Wawanesa Mutual Insurance Company ORGANIZED IN 1896

Admitted Assets...	$6,784,348.81
Surplus	3,180,060.58
Dom. Govt. Deposit	2,378,615.74

Write for Financial Statement

Head Office WAWANESA Man. — Eastern Office TORONTO Ont.

Branches at Vancouver, Saskatoon Winnipeg and Montreal

What's Trend in Business Failures?

Here Are Warning Signs as First Quarter Up Over '47

How are your inventories? Your accounts receivable?

There are warning signs in the business failures in Canada for the first quarter of the year. Here's a report on what's happening, with a round-up of the experience in the major cities in 1947.

If you don't tighten up on credit and check your inventories, you may be doing business with the bailiff shortly.

This word of warning to small retailers emanates from some of the companies supplying merchandise. The Financial Post learns from the credit manager of a million-dollar corporation that perusal of a customers' books a few days ago revealed well over 50% of accounts receivable to be "deadwood." Hardly a healthy situation when the merchant is paying suppliers on a seven- and 30-day basis for merchandise. One spoke of an account with $10,000 in inventory "tucked" away in the cellar; at least 50% greater than required for sales in sight; and he needed that stock moving to meet his obligations.

Another word of warning might be gleaned from business failure statistics for the first three months of 1948, just released by Dun & Bradstreet of Canada. About 85% as many retail stores gave up the "ghost" in the March quarter as compared with a year ago; or 200% above the corresponding period in 1946. And the mortality rate has been 83% greater in the food line alone this year; almost 500% greater than in the 1946 period.

The trend of failures at the retail level cannot be regarded as "alarming," authorities tell The Post, as the actual number of businesses closing "doors" is still quite small. However, the opinion is that a trend has developed and corrective measures should be set in motion.

The number of firms collapsing—manufacturers, wholesalers, retailers, construction and those providing commercial services—is still far below prewar levels. However, business analysts cannot lose sight of the fact that first quarter 1948 mortalities exceeded all of 1944, 1945, and were just slightly below all of 1946. Average liabilities per failure of around $24,000 are below 1946, but greater than any year since 1928 when the average liability of the 2,120 failures ran $25,198.

The province of Quebec, long the leader in the Dominion's failure record, still leads in the upward movement of business closures. The province recorded 201 of the 304 failures in the entire Dominion in 1947; 96 of the 130 total in 1946.

Montreal led with 123 failures in 1947 for total liabilities of $3,321,000 as against 31 failures and $1,029,000 liabilities in 1946.

Toronto experienced an increase from eight failures in 1946 to 35 last year and a rise in liabilities of from $215,000 to $868,000.

Victoria, B.C., Saskatoon, Sask., Edmonton, Alta., and Windsor, Ont., were the principal cities of the Dominion free of failures in 1947 or 1946.

Some of Canada's business houses have experienced a marked change in collections lately; an important increase in NSF checks and appeals for extra dating on invoices. One firm, conducting a Dominion-wide business in the food line, anticipates a number of failures in newly established retail stores before the year is finished.

Why?

A combination of limited capital being tied up in heavy inventories at the outset; lack of knowledge of the line; increased store rents; tendency to handle a "big volume" on credit.

The neighborhood store is said to be finding it much more difficult to maintain sales volume these days due to the concentration of chain stores in specific districts. Said one wholesaler: "The housewife makes her cash purchases at the chain store and her credit purchases and demands for delivery service at the corner grocer."

D & B figures indicate that undertaking or laundering are some of the healthiest businesses to be in these days as only one in each line has been sold out of business in the past two years. Here is the record of Canadian failures in first quarter 1948 vs 1947:

Division	Number 1948	Number 1947	Liabilities $000 1948	Liabilities $000 1947
Manufacturing	33	29	1,600	835
Wholesale	14	6	220	147
Retail	37	20	320	147
Construction .	14	8	285	160
Com. Service .	7	2	95	81
Total	105	65	$2,520	$1,370

In the manufacturing group, textile failures increased 200% this year; forest product mortality was slightly improved; machinery failures jumped about 66%; others in the field showed little change.

The retail division showed an 83% gain in foods; no change in farm supplies and general stores; rise in general merchandise failures; 200% jump in wearing apparel shops; big percentage gains in furniture and household furnishing failures; 200% increase in hardware; 66% gain in restaurant closures, etc.

The largest increase in construction field group was shown by general contractors.

Ind. Acceptance New Bonds Sold

MONTREAL (Staff) — Industrial Acceptance Corp. has sold $1 million of 4% sinking fund debentures series "C" dated May 1, 1948 and due Nov. 1, 1966. This represents the balance of an authorized issue of $5 millions of sinking fund debentures. Offered by Greenshields & Co. and Wood, Gundy & Co., at a price of $99.75 to yield approximately 4.02%. It is stated that the entire issue has been distributed

Proceeds of the issue will be used for general corporate purposes. The increasing volume of business being handled by IAC has necessitated an increase in the company's working capital, it is said.

After giving effect to this financing there will be $4.9 millions of debentures outstanding, since $100,000 were retired last year out of sinking funds. Interest requirements on the amount outstanding will total $176,500. For the 10 years ending Dec. 31, 1947, average earnings of the company amounted to $558,292 annually or 3.16 times interest requirements according to the offering prospectus. In 1947 interest requirements were covered seven times and in the first two months of 1948 were covered at the rate of 10 times, it is stated.

S. H. GREEN

general sales manager of Donald Ropes & Wire Cloth Ltd., has been elected a director of the company, and appointed assistant to the general manager.

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Uniform Air Standards Drafted for 47 Nations

MONTREAL (Staff)—International Civil Aviation Organization (ICAO) last week announced that the first sets of standards for uniform operation of air transport services have been approved. Earlier this year International Air Transport Association (IATA) reported on a successful first year of clearing house operations.

ICAO's sets of standards for uniform air operation are said by many air experts to represent one of the greatest forward steps in international aviation. So far five sets of standards have been approved. They are:

(1) Personnel licensing — technical requirements and experience necessary for pilots and air crews flying international routes.

(2) Aeronautical maps and charts—provide detailed specifications for production of all types of maps and charts.

(3) Rules of the air—general flight rules, instrument flight rules, right-of-way rules.

(4) Dimensional practices — provide for progressive measures to do away with the confusion caused by use of both metric and foot-pound-second units in air-ground communications.

(5) Meteorological codes—specify the various agreed systems used for the transmission of meteorological information.

These standards have now been sent to ICAO's 47 member nations for comment. Unless the majority of the member states disapprove of any of these standards, each one must be put into effect in each member's territory. If any country is unable to comply with any of the approved standards, it must notify ICAO so that the other nations may be warned.

Looking at the economies of international aviation, IATA reports that its clearing house during 1947 handled transactions totalling $52.4 millions. It states that the clearing house saved 24 members more than three times the annual cost of operating the institution.

On December transactions alone, protection from losses which would have followed devaluation of the French franc saved clearing house members a total of $132,000, A. J. Quin-Harkin, manager of the clearing house, stated.

The French franc was devalued in terms of other currencies on Jan. 25 and before December, clearing accounts were offset. Under the standing regulations, December franc transactions amounting to $296,000 were first reduced by offsetting to $157,232, which balance was then settled in pounds and dollars at the old rate of the franc.

Thus the French airline, which had collected francs but was required to pay up in other currencies, was saved a total of $68,000 by the offset. Those who had accumulated franc credits after the offset was made saved a further $64,000 through being able to convert them into pounds or dollars at the old rate.

Mr. Quin-Harkin states the clearing process has been able to give complete protection to creditor members and partial protection to debtor members. In addition, by reducing the bulk amount on which exchange premiums must be paid, members were saved $20,000 to $30,000. For example, the $52.4 millions 1947 volume was settled by payments of only 18% or $9.6 millions in cash.

Garage Supply Passes Into Staff Control

Control of another long-established Ontario firm has passed into the hands of the employees. The firm—Garage Supply Co., Toronto — currently employs around 140 and operates a machine shop and six warehouses located in Toronto, Belleville, Hamilton, Kitchener, Orillia and St. Catharines.

Founded in 1914 by W. R. Sachs, the company wholesales garage supplies and automotive equipment. Sales last year ran around $2,125,000—a record high. This spring Mr. Sachs, owner of about 95% of the company stock, offered staff and employees an option on the bulk of his holdings. Some 2,200 of the total authorized and outstanding 3,000 shares of no par value stock were taken up under the offering. Price paid was $100 a share. Although Mr. Sachs will retain a block of remaining shares, part of it will be available for additional purchases by the staff.

The offering has established a market price for the shares of Garage Supply Co. (formerly a private company), and a price that might be used in the event of succession duty payments.

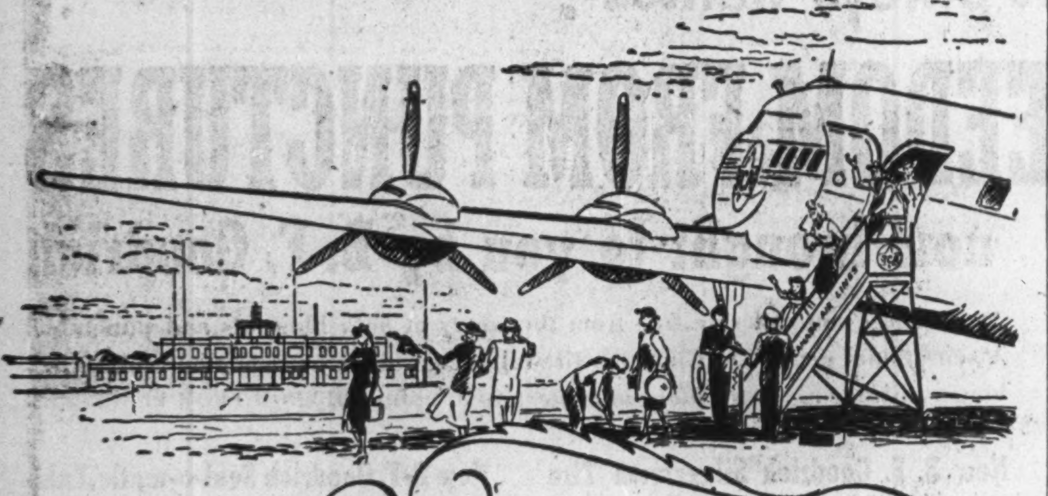
The new board of directors has not yet been appointed and former officers are carrying on until new shareholders meet and elect the new board.

GAS the modern fuel has served Toronto for 100 years

Speed in travel, speed in production ... These are the demands of industry in 1948. And, from among fuels GAS has been chosen for its unfailing SPEED and controllability.

In one hundred years GAS has grown from the fuel of the lamplighter to the fuel of 1000 uses in hundreds of different industries.

Consumers' Gas owes a debt on its Centenary to the pioneers of Canadian industry for the early faith they had in GAS. And today it reaffirms its ever-present purpose to keep GAS in the forefront for SPEED in industry.



Consumers' Gas celebrates its Centenary by saluting the City it has served for 100 years.

UNIQUE FACTS ABOUT TORONTO

Malton Airport is one of the largest airports in Canada. It has three runways, each about a mile long. During a month more than 14,000 passengers board the planes which bring distant cities near to Toronto. Over 170,000 lbs. of mail, 160,000 lbs. of express and 7,000 lbs. of freight are carried every month.

The Consumers' Gas COMPANY OF TORONTO

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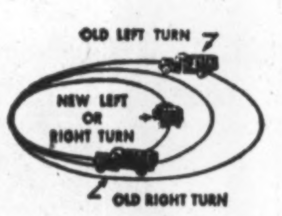

NEW EASE OF HANDLING

You'll save time on the job with these easier-to-manoeuvre Dodge trucks. Combination of a new type of steering and shorter wheelbases that take full-sized bodies, let you turn in much smaller circles — the same size circle either right or left. Drive them and prove for yourself their near passenger-car ease of handling.

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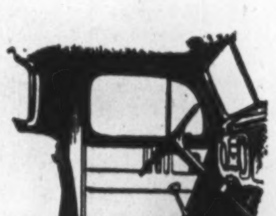
Note the tremendously increased vision of the new Dodge cabs. Windshields and windows are much higher and wider and the rear window is longer. New, improved equal-pressure hydraulic brakes have approximately 20 per cent. greater braking area and give you sure, safe stops.



NEW COMFORT

Deeper, wider, roomier cabs with luxury-padded chair-high seats give drivers and helpers new comfort. Clear floor space and wide doors make it easy to get in and out of these new cabs. Seats are fully adjustable for position and back support to reduce driving fatigue to a minimum.

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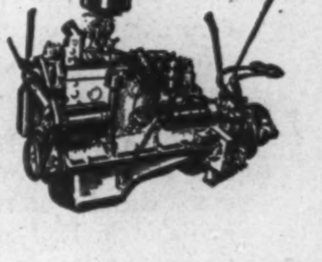
You'll get better performance than ever before from these husky new Dodge trucks . . . they are adding to the Dodge reputation for Dependability under all conditions. Powerful, dependable Dodge engines are "Job-Rated" for most efficient operation of each of the many Dodge truck models (G.V. Wts. start at 4,200 lbs.).



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THE NEW 1948 DODGE "Job-Rated" TRUCKS

Are We Coaxing a House Bust?

Easier Mortgage Terms Seen Hiking Prices to Danger Line

An American, L. Douglas Meredith in testimony before a U. S. Congressional hearing recently warned of inflation danger in housing legislation. Because housing investment is a question of immediate moment in Canada and because Mr. Meredith's words are a logical and clear portrayal of the position of Canadian as well as U. S. life insurance companies on this question, The Financial Post here summarizes his statement.

Mr. Meredith is executive vice-president and finance committee chairman of National Life Insurance Co., Montpelier, Vt.; chairman of the subcommittee on postwar housing of the Investment Research Committee, which is a joint committee of the Life Insurance Association of America and the American Life Convention. The occasion was a session of the joint committee on housing of the U. S. Congress. A digest of his statement follows:

Are we in danger of legislating a housing bust?

The Ontario Legislature last month passed a new housing assistance act which among other things proposes to guarantee lenders against added risk in taking mortgages at close to 90% of the full price of 10,000 new houses at today's costs. (Pending arrangement with Ottawa and big lending companies for operation of the guarantee, Ontario is lending direct on second mortgage to reduce down payments an average $1,000.)

One or two other provinces are eyeing the measure with some evidence of interest. Many groups in Canada are demanding nationwide easing of housing mortgage terms — lower interest rates, higher percentage loans, longer periods of amortization.

Cited oftenest in support is legislation in United States and abroad. But actual experience with such legislation in these countries hasn't always produced hoped-for results.

Thorough study seems necessary of probable longer-term effects of further mortgage liberalization in Canada — in particular the inflationary effects of some sections of housing legislation. The accompanying digest of an important statement by an American expert explores that danger.

There are two cardinal facts in the 1948 housing situation which should influence policy for this year:

1. The present struggle to control inflation must be won before there can be hope of meeting housing objectives fully. Toward this end little will be accomplished now by easier mortgage terms, housing subsidies, restricted interest rates and similar proposals. Except through technological advances such as are now under way, it is not possible immediately to stimulate production to greater heights without increasing the inflationary risk.

2. Marked progress is being made toward lessening of housing difficulties. A large volume of residential construction is going forward and the outlook is favorable providing costs don't increase sharply. Ample financing at reasonable rates is available. With a continued high level of national income and a continued high rate of building along with improvement in productivity, the condition of the whole housing supply will be steadily bettered.

Which is the choice? More inflation and dramatic attemps to solve the housing problem quickly? Or less inflation and a sober, rational attack upon housing?

As custodians of trust funds owned by a large majority of the people, the insurance companies prefer the second course and urge consideration of its merits.

Specific Proposals

Here are two main noninflationary ways to increase the housing supply, and two "don'ts":

1. Boost productive efficiency in the residential construction industry. The Federal Government should aid industry's cost-cutting program through assistance to technical research, building code improvements, apprentice training. Builders and material makers have been introducing simplified building methods (especially the "engineered house" program), expanding industry-sponsored research, pushing apprentice training and seeking building code improvement.

2. Encourage construction of rental housing through modification of the corporate income tax, particularly to permit more rapid amortization of the investment. This would make construction of housing for rental and investment more attractive than construction of houses for sale. It would encourage, in a period of high prices, a greater proportion of equity investment instead of encouraging borrowing as has been the case with many previous government measures.

3. Forget about yield insurance. As an incentive to rental building it isn't effective against today's high costs. Title V of the Taft - Ellender - Wagner housing bill, which was intended to be especially attractive to life insurance companies, would have the Government guarantee a minimum return to companies making direct investment of their funds in rental projects. Some firms already are so investing without such guarantee and plans for expansion are extensive. Drawback is not need for government protection but cost. Canada since 1941 has had in force a yield insurance plan much more liberal than anything proposed in United States without having produced "anything of account."

4. Go easy on subsidized housing. Various plans have been put forward involving further direct use of Government funds to provide housing, ranging from resumption of the prewar program of public housing under the U. S. Housing Authority to several schemes for subsidy payments directly to builders, investors or purchasers to "overcome" present costs. Any subsidy is a cost to nation's taxpayers and a burden on the economy. Notwithstanding possible merits of some form of subsidy to benefit low-income families as part of a long-range housing program, the effects today would be harmful in some respects. No matter what its form, the subsidy under present inflationary conditions would be quickly translated into higher cost by the increased pressure of demand in the housing field. England's Postwar I experience is a spectacular demonstration.

If public housing should be undertaken after inflationary pressures subside, it should meet these stipulations: (a) the temporary stopgap nature of the program should be clearly stated in whatever legislation was enacted for the purpose; (b) housing built should be available to families of the lowest-income group and living in slum conditions; (c) it should provide only minimum decent accommodation; (d) the Government should dispose of the housing at the end of the amortization period; (e) it should be financed to a greater extent than hitherto by local participation; and (f) any subsidy should be readily discernible so the taxpayers will know the cost.

Inflation and Housing

Solution of today's housing problem must begin with analysis of the fundamentals and causes of high prices. Inordinately high prices stem from scarcity of goods and services in relation to public demand. This demand is still backed by a tremendous volume of latent purchasing power which, if made effective, could further increase prices.

The Federal Government has been pursuing a "soft" or "easy" money policy which has resulted in tremendous increase in the country's money supply. Bank deposits and currency in circulation between 1940 and 1946 increased more than 2½ times. Savings deposits doubled in the same period. In addition, the general public, exclusive of financial institutions and government agencies, accumulated holdings of government securities to an amount nearly seven times as much as the holdings at June, 1940. Mostly readily convertible into cash, these securities are about the equivalent of cash.

At the end of 1946, according to an estimate by the U. S. Federal Reserve System's board of governors, individuals and business concerns held in the form of currency, bank deposits and government securities more than three times the prewar total. The figure probably rose slightly in 1947. In addition, current national income is at record level or 2½ times the 1940 figure.

In the face of demand growing out of this enormous supply of money, production is at a point beyond which further growth will be necessarily slow. North American industry is producing at about the maximum level currently possible without further increases in labor efficiency and a longer work week. The physical volume of construction of all kinds, including residential building, is close to any previous peak and further expansion is being retarded by shortages of essential labor and materials.

Easy Mortgage Credit

Excessively easy mortgage credit now serves only to accelerate the rise of prices and has been a significant factor in the rise of 25 to 35% in the price of houses in 1946 and 1947. And it's widely agreed that loose mortgage credit, with resultant rise in housing costs has aggravated the general spiral of inflation.

The amount of U. S. home mortgage debt increased in 1946-47 more than $9 billions and the rate of current mortgage lending has risen from $550 millions a month to $1 billion a month.

Lending terms have been substantially easier than prewar. A large proportion of recent U. S. loans has been made on an instalment basis at 4% interest for periods from 20 to 25 years. The bulk of these loans has been made for a very high percentage of current sale price.

Chairman Marriner Eccles of Federal Reserve System's board of governors, before the Joint Committee on the Economic Report Nov. 25:

"Since more than half of the current unprecedented volume of mortgage lending is sponsored by the U. S. Government under legislation enacted by Congress, the Government must assume much of the responsibility for any harmful effects of this type of lending.

"Easy credit has greatly increased the effective demand for both old and new housing far beyond the supply and this has greatly inflated prices . . .

"If the easy credit situation were producing a substantial additional volume of housing at supportable values in the long run, it would be justified. But because of limitations of labor and materials it produces instead a dangerously inflated market which cannot be sustained for both old and new houses. I believe that by curtailment of credit for housing in closer relationship to the supply of labor and materials, the price trend would be reversed and a market for houses assured over a long period of years."

Interest Rates and Housing

The operation of natural forces or the action of Federal fiscal and monetary authorities, or a combination of both, have resulted since mid-1947 in a sharp upturn in interest rates.

If the monetary authorities continue their recent steps in the direction of contracting the money supply, or at least preventing further expansion, there is strong reason to believe the policy will curtail inflation, as in the past.

A rise in interest rates now has salutary effect—it tends to make prospective borrowers more thoughtful in assuming an obligation, particularly one that extends over many years. Also, it tends to increase saving.

Fiscal policies of the past decade which produced the lowest money rates in history, also have produced higher real estate prices. It's often necessary for a home buyer to borrow much more money than he would have had to borrow five or six years ago to buy the same house. The borrower would be far better off to pay 5% or higher interest on the sum required five years ago, than to be obliged to pay 4 or 4½% on the amount he must now borrow. A 20% reduction in the cost of a house and lot is more than three times as effective in reducing monthly costs as a 20% cut in interest rates charged for a loan.

Mortgage interest rates may seem high to the uninitiated. The investor out of his contract rate of return must deduct his own expenses of buying and handling the loans, must write off any premium paid, pay the expenses of servicing and make some allowance for losses likely to result no matter how carefully loans may be selected. At the 1945 meeting of the American Life Convention four companies presented figures to show the estimated net return on mortgage loans they owned—assuming a 4½% interest rate on FHA loans, the net return averaged 3.04% after deducting the expenses just cited.

Low interest rates, when created and maintained by artificial devices employed by the Federal Government, impose a severe hidden tax on the savers of the nation — life insurance policy-holders, savings bank deposits, savings and loan associations, pensions and annuitants, endowed institutions and others.

Inflation has obscured the great progress being made toward solution of the housing problem:

1. In seven years from Jan., 1940, while the number of U. S. families increased an officially estimated 4.9 million, the number of dwelling units increased 4.4 million by new building and conversion.

2. Existing houses meanwhile have been brought into more efficient use by major repairs and plumbing installation.

3. Contrary to the general impression, there has occurred at the same time a slight reduction in the crowding of housing, as indicated by decrease in the Census estimate of persons per nonfarm dwelling unit from almost 3.2 in 1940 to 3.1 in 1947;

4. New housing construction in 1947, second year of Postwar II was 120% of 1941 volume. In 1920, second year of Postwar I, volume was only 62% of 1916 and 57% of 1914. The postwar housing record also compares favorably with passenger-car output, for example, which in 1947 was only 94% of 1941 compared with the housing figure of 120%.

The building industry may justly be proud of its accomplishment.

But much remains to be done. The problem of housing today is the same as in clothing, automobiles, most other goods—how to increase production while reducing prices or at least holding

(Continued on page 13)

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... and a half!

If you're concerned about rising office costs, don't overlook this: Time-and-a-half for overtime applies to the girls in accounting no less than to the workers on the production line. And don't overlook this, either: Your office people can't be really productive and efficient without modern machines and methods any more than your plant people can.

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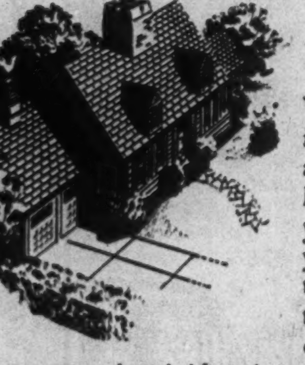

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At long last you can ride free from the worry of *both* blowouts and punctures! A sensational new B. F. Goodrich tire-tube team gives you smoother riding . . . longer mileage . . . *extra blowout protection* . . . plus FREEDOM FROM PUNCTURES.

New B. F. Goodrich Silvertown Tire OUTWEARS PRE-WAR TIRES!

Normal tread wear is s-p-r-e-a-d over a wider, flatter tread that puts more rubber on the road. You get greater road-gripping traction for safer riding . . . safer stops. And 35 per cent stronger body and sidewalls provide extra blowout protection . . . longer mileage.

New B. F. Goodrich Seal-o-matic Tube SEALS PUNCTURES AS YOU RIDE!

The sensational new B. F. Goodrich Seal-o-matic Safety Tube seals punctures instantly . . . permanently . . . *as you ride*! It's an *exclusive* B. F. Goodrich feature! And the Seal-o-matic has thicker, stronger walls that absorb shock . . . protect your tires against premature failure and blowouts.

B. F. Goodrich Silvertown tires give longer mileage, greater safety, with any standard tube. And Seal-o-matics can be used with any tire casing. But together! There you have the *perfect* tire-tube team that gives blowout protection PLUS freedom from punctures! *See your B. F. Goodrich dealer today*!

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"BEST IN THE LONG RUN"

Accountants Say Extend Tax Benefits To Individual Buyers of Annuities

All individuals contributing to some form of retirement annuity, individual or otherwise, should be allowed tax benefits similar to those now enjoyed by participants in "approved" pension plans, the Dominion Association of Chartered Accountants states in a series of recommendations to the Dominion Government on the proposed new Income Tax Act. The recommendations are contained in the current issue of "The Canadian Chartered Accountant."

Here is a digest of some of the recommendations in the report.

Double Taxation

The association's committee believes the Government should make an exhaustive study of the currently existing system of double taxation under which the profits of corporations are taxed first against the corporation and then against the individual shareholder when such profits are divided. The association in 1946 reported on this problem that "steps should be taken" to eliminate the double tax on corporate income. This could be achieved, it is stated, by taking corporation profits at a rate approximating the basic personal rate and allowing the tax paid by corporations to apply as a credit on the tax returns of individual Canadian taxpayers.

Depreciation and Depletion

Regulations on depreciation should be broad enough to permit the computation thereof by any accepted method which clearly reflects income. Depreciation of used machinery and old buildings should be computed with reference to the remaining useful life of the asset. Moreover, intangible assets, valuable only for a determinable period such as patents should be brought within the scope of the regulations to permit the cost thereof to be written off by annual charges to income. Present restriction of depreciation allowances to the exact amount recorded in the books should be abrogated because of difficulties and inconsistencies created in preparation of statements of periodic income. Wartime rule restricting some taxpayers to depreciation rates less than the maximum allowed other taxpayers should now be withdrawn.

Obsolescence

Obsolescence like depreciation is a normal operating expense, experienced by practically every manufacturing or operating company and while depreciation of a fixed asset is occasioned by wear and tear, obsolescence arises by development of improved processes or products. Industry is constantly making improvements which render useless or affect the profitable employment of existing machinery or equipment before it is worn out. Obsolescence is particularly important just now since current extensive research will result in improved manufacturing methods and reduce manufacturing costs and offset increased labor rates.

Both the United States and Great Britain provide for an allowance for obsolescence and Canadian industry should be placed on a like footing to enable it to maintain its competitive position.

Allowance for depletion of wasting assets, other than gas or oil wells, appears to require that allowance for mines should be based on and limited to actual cost of the mine, contrary to present law and practice. Because of the practical difficulties in determining actual cost to a taxpayer of capital property in case of many mining properties, the wording of the Act should permit the issuance of regulations establishing such depletion allowances as a percentage of profits or otherwise in accordance with present practice.

Personal Pension Plans

Tax exemption for contributions to pension plans is recognition by Parliament of the social desirability of encouraging a postponement of payment of part of one's earnings to later years, when earning days are past. It is believed that on grounds of social desirability, this exemption should not discriminate for or against any particular section of the populace. The tax benefits allowed participants in approved pension funds, with no similar benefits to other people such as those carrying on business as proprietorships, or partnerships and ordinary individuals, altogether forming the majority of citizens, is a serious inequity. It is recommended that all individuals should have the same privilege of contributing to some form of retirement annuity with tax benefits similar to those now enjoyed by participants in approved plans. There would of course have to be definite safeguards and restrictions around any such plans. For example the withdrawal of contributions might well be prohibited for a specified period of times.

Income from Business or Property

Determination of income under Section 3 is complicated by section 6, (1) (a), which denies to the taxpayer the right to deduct many expenses which by ordinary accounting standards must be deducted if profits are to be determined.

The income tax department in practice has not taken too narrow a view of the wording of the Act in most cases but court decisions indicate the need of defining more clearly income from a business or property. The appropriate section of the Act should state that income from a business or property should be the profits therefrom determined according to generally accepted accounting practices (not principles) applicable to that business or property.

Regarding income from office or employment, a paragraph might be added to the Act authorizing deduction of such expenses incurred as a condition of office or employment as may be allowed by regulation.

Intangible Assets

Many intangible assets, leases, patents, etc., are valuable only for a determinable period and the regulations should provide that the cost of intangible assets which decrease in value due to the passage of time, may be amortized by annual charges to income.

Married Status

In determining "married status" for income tax, it is recommended that the definition of a "self-contained domestic establishment" be revised to exclude the words "containing at least two bedrooms." As an example, the definition as it stands if strictly applied, works a hardship on a mother and daughter, where the daughter is endeavoring to support her mother in a one-bedroom apartment. Moreover, greater latitude should be allowed to husbands and wives in apportioning marital exemptions and dependents allowances between them.

Appeals

The bill should provide that the taxpayer has the right of appeal in all matters entering into an assessment regardless of the powers granted the Minister and that if appeal from reassessment is desired it may be dealt with as a continuation of the original appeal. Time limits for appeals to the exchequer court should be stated in a consistent manner and "120 days" should be changed to "four months."

Are We Coaxing Housing Bust?

(Continued from page 12)

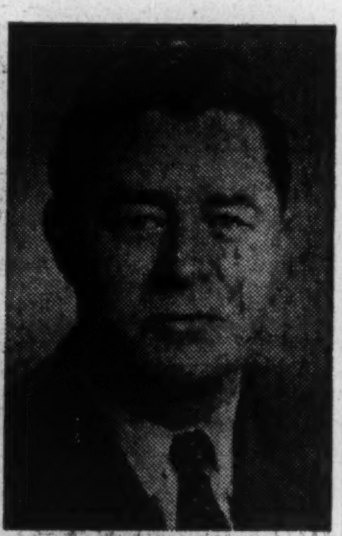
the price line. It is unlikely that any dramatic method can be found to accomplish this objective.

If with some Aladdin's Lamp yet undiscovered we could satisfy this year those who insist that so many of our structures aren't fit for habitation, we'd soon have cause to regret it.

Residential construction provides a large amount of direct and indirect employment. We should spread this over several years. An excessive concentration of building in the next two years will mean a slump later, with unemployment for building trades and supplies and serious danger of dispossession for veterans and other homeowners.

And such excessive stimulation of building would greatly boost inflationary pressure, bring higher real estate prices, increase the financial burden of home ownership.

If the present problems of an inflated economy can be satisfactorily overcome, we can look forward to a period of high building activity, accelerated removal of obsolete structures and constantly improving housing conditions.



D. W. PARTRIDGE

president of Commonwealth International Corp., has been elected a director of Utah Electronics Co. of Canada.

Gairdner & Co. Buys Kitchener Business

Business and premises of W. E. Ellis & Co., Kitchener, have been acquired by Gairdner & Co., Toronto investment firm. A complete board room service will be provided as well as a private wire connection with head office in Toronto and branches in Montreal and Quebec City. Stock transactions will be executed through Gairdner, Son & Co., members Toronto and Montreal Stock Exchange. Mr. Ellis will continue as manager of the new branch.

INDUSTRIAL DEVELOPMENT BANK reports an increase of $488,-773 in loans and investments for March over February. Total loans and investments now stand at $14.4 millions.

Bell Lists Need To Up Capital

MONTREAL (Staff) — Having cleared a couple of parliamentary hurdles in its efforts to have its authorized capital raised from $150 millions to $500 millions, Bell Telephone Co. of Canada this week took the next step and presented its case to the Commons Committee on Railway and Telegraphs. In a 31-page brief, Bell gave historical and current reasons why it requires more money.

Most cogent argument is that the company has an expansion program calling for gross expenditure of some $360 millions over the next five years. And it thinks that it might have to spend another $350 millions in the succeeding five years. Here is what the first five-year program calls for:

	5-year Total ($ millions)
Right of way	$ 1
Land and buildings	42
Central office equipment	97
Station equipment	95
Exchange lines	86
Toll lines	26
General equipment	15
Total	$362

Bell told the committee that these figures should be increased by about 10% since the original estimates were drawn up last year. By years, the biggest expenditure will be made in 1949 at $76 millions; 1948 $74 millions; 1950-51 $71 millions and $70 millions in 1952.

MONT LAURIER has sold $260,-000 of 3¼-3½% serial 15-year bonds to a syndicate including L. G. Beaubien & Co. and Banque Canadienne Nationale for a price of 97.048.

H. A. RAPELYE

has been elected vice-president and general manager of Continental Can Co. of Canada, with which he has been connected since 1929.

H. H. ROBERTSON CO. of Pittsburgh reports that its Canadian subsidiaries H. H. Robertson Co. and Thomas Irwin & Sons Ltd., with plants at Hamilton and Sarnia, have experienced extremely rapid growth, which has contributed substantially to the strong position shown in its own consolidated statement.

Further expansion is under way in Hamilton, where facilities are being installed to manufacture steel flooring. This is scheduled for completion this fall.

Figures for the Canadian subsidiaries, in the equivalent U. S. currency, show a net income for 1947 of $124,557, net current assets of $553,915, fixed assets, less reserve, of $534,654, other assets and prepayments of $62,603 and minority interest, Dec. 31, 1947, at $65,475.

Dunlopillo
THE ORIGINAL
LATEX FOAM
CUSHIONING

Rest assured
IN EVERY SITTING POSITION
For Furniture, Mattresses, Transportation
DUNLOP · CANADA
Also makers of Auto, Truck, Bus, Agricultural, Aircraft, Motorcycle and Bicycle Tires; Industrial Rubber Products and Golf Balls.

IN TORONTO . . .
CARS and TRUCKS FOR RENT
CALL
car-U-drive
COMPANY LIMITED
100 RICHMOND STREET WEST TORONTO, ONT.
AD. 5733

I want to know...

does a MOTHER need insurance?

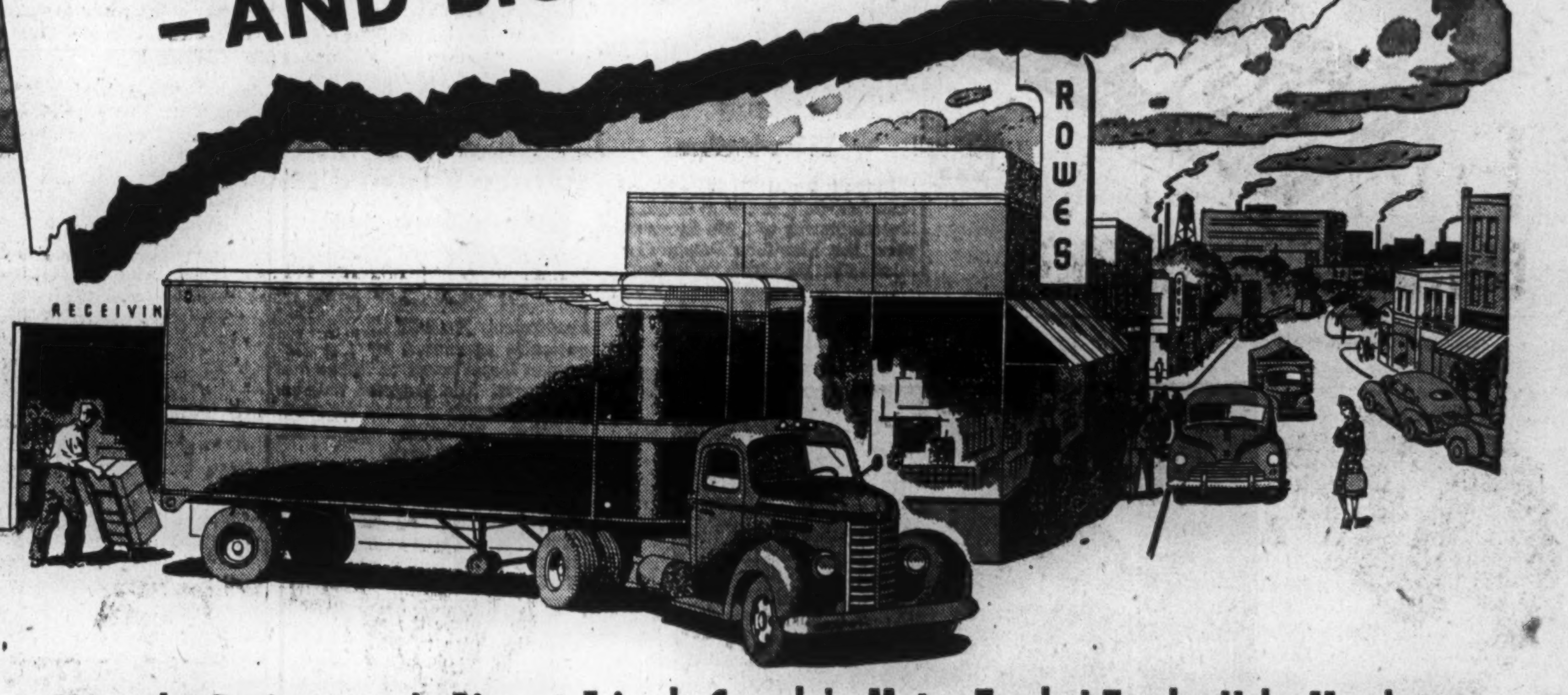
IF A HUSBAND and father is very well-to-do, there may be little need for his wife to have her own insurance policy. But most men are not well-to-do, and to them loss of the mother brings not only grief but often serious financial difficulties. This is especially true if the children are small. When there are no funds available to pay a house-keeper, homes may be broken up and children put out for adoption or sent to relatives.

So in most cases the answer is "Yes, a mother does need life insurance." How much or what kind varies with different circumstances. The wisest course is to consult a Mutual Life of Canada representative. He is specially trained in adapting Mutual *low-cost* life insurance to meet everybody's needs.

Make an appointment to talk things over with your local Mutual Life agent today. He will help you determine what is best suited to your requirements.

THE MUTUAL LIFE OF CANADA
HEAD OFFICE
WATERLOO ONTARIO
548

WHAT A BREAK FOR SMALL BUSINESS —AND BIG BUSINESS, TOO!



Meet the Businessman's Biggest Friend—Canada's Motor Trucks! Trucks Help Merchants Maintain Full Stocks—Speed Turnover—Boost Profits—*as no other Transportation can!*

■ *Trucks are the lifeline of business, sending goods flowing to local counters and homes faster, fresher, cheaper! Often with deliveries overnight!* What does this mean to *all* business — and to *small* business, in particular?

First: That merchants may "set up shop" with less capital tied up in goods that gather dust on the shelf.

Second: Because trucks make quicker, more frequent deliveries, they help businessmen enjoy faster turnover — greater profits on their investment . . . at prices that save money for every customer.

Third: Trucks can travel non-stop—they're never "side-tracked." So goods arrive *fresher*—sell better.

Fourth: Trucks enable even shops "off the main line" to carry big city merchandise. That means better business for the store — better service for customers.

Who benefits? Everybody in town! For—when business is good — you enjoy a wider selection of food, clothes, furniture — and everything else you buy. There are more jobs — at better wages! And you have a chance to make more money from *your own services.*

No wonder wide-awake businessmen specify "SHIP BY TRUCK." For more information on how motor transport can help you . . . call in a reliable local operator today.

Published in the interest of the Canadian Motor Transport Industry by the Fruehauf Trailer Company of Canada Limited, Toronto (Weston) Ontario

FRUEHAUF TRAILERS
PLAIN HORSE SENSE
YOU CAN PULL FAR MORE THAN YOU CAN CARRY!
"ENGINEERED TRANSPORTATION"

ORDER YOUR BOOKS FROM
BURNILL'S BOOKSHOP
100 Yonge Street, Toronto 1
MAIL ORDERS POSTPAID

2129 Canadian Business Firms Receive "O'BRIEN'S BULLETIN" MONTHLY
MAILED ON REQUEST
O'BRIEN
Advertising Limited
DOMINION BUILDING
VANCOUVER B.C.

The Provincial Roundup

British Columbia

Sales Tax Delayed: Taxpayers got a brief respite from the contentious 3% sales tax, originally scheduled to come into effect last week end. Just before that deadline, Premier "Boss" Johnson announced it would be deferred until the return of Finance Minister Herbert Anscomb from England; would probably come into force about June 1. Officials admitted there would be many headaches involved in collecting the levy, expected to net $12 millions yearly; but said "basic machinery" was being set up.

Higher Business Tax?: Meanwhile, Vancouver businessmen faced the prospect of paying 12% of the annual rental value of their premises, as a business tax, in place of the originally proposed 10%. Civic officials had budgeted for revenue of $2 millions from the levy; but rental rolls totaled only $16 millions, which would leave a $400,000 gap. License fees paid by some concerns not liable for the tax would yield another $250,000; but making up the balance appeared to involve upping the rate of the levy. Acting Mayor George Miller ruled out, as illegal, a suggestion to utilize part of the city's revenue from the provincial sales tax; insisted this was earmarked for education and social services.

Alberta

More Teacher Scholarships: For the second successive year, the province will award $40,000 in scholarships to 200 students enrolling in the faculty of education at the University of Alberta. Those accepting the awards will be expected to sign an agreement undertaking to teach in Alberta for three years at least, or refund a proportionate part of the scholarship.

The education department will also continue to pay the tuition fees of all students enrolled in the junior elementary and intermediate school certificate one-year courses.

• • •

Saskatchewan

Tax CPR Main Line?: Is the Canadian Pacific Railway required to pay a business tax to municipalities along its main line in Saskatchewan? The Supreme Court of the province was to answer that question, referred to it by the Government, "so that municipalities will know their position in regard to collecting business tax from railways."

Differences of opinion on the matter arose following passage of legislation at the recent session which gave municipalities power to tax railway property, with the exception of the main line, exempted under early federal statutes. At the same time legislation was passed making railways taxable for business tax, even though some lines might be exempt from the property tax.

"The CPR is taking the position that its main line is exempt from both property and business tax," Attorney-General J. W. Corman said. "The province maintains the CPR main line is subject to the business tax."

Rap Short Cut to Silk: Saskatchewan Law Society voiced "deep regret" that the CCF Government had created a short cut, permitting lawyers in the government service to become K.C.'s without the 10 years of practice in the province, required in other cases: "The title is one of honor, derived in the Mother Country from a long history . . . it should be retained as a real mark of merit and experience in its bearer . . . it is a reverse movement, to permit the honor to be conferred on a limited class of persons, membership in which class does not, of itself, necessarily require any qualifications suitable to the honor."

Attorney-General J. W. Corman retorted that he did not want any advice from the Law Society until "it can come with clean hands, politically"; said serious consideration will have to be given to the introduction of new legislation that will not leave the Government "at the mercy of lawyer-politicians in regard to the appointment of King's counsel."

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Manitoba

Extend Rural Hydro: Already launched on a program to extend electric power to 5,000 farms this year, the Manitoba Power Commission set its sights on a similar 1949 target, to extend over 37 or more rural municipalities. Flood conditions, and tardy spring weather, had already delayed the 1948 program. Power sales of the Commission, meanwhile, continued to increase; were 26.57% higher in March, than in the same month of 1947. Services connected at the end of March totaled 40,069, against 33,701 a year before.

Liquor Ads, or Not? Uniformity on liquor advertising laws throughout Canada was a step nearer this week, as representatives of eight provinces conferred in Winnipeg (May 18-19). Such advertising was banned by federal regulation during the war; is now permitted in some provinces on a qualified basis, banned in others (The Financial Post, May 8). Prince Edward Island was not represented at this week's gathering, since liquor sales on the Island are only allowed (in theory) for medicinal purposes: although a plebiscite on a more open form of government control will be held next month (The Financial Post, April 3).

• • •

Ontario

New Universities: Northern Ontario will get two junior universities as soon as possible, Premier (and Education Minister) George A. Drew promised within the last week. One will be located at the Lakehead (Port Arthur and Fort William), where the present Technical Institute will be elevated in status; the other farther east, probably near North Bay. Reporting a need for increased facilities in engineering, medicine, science, arts and other faculties, Mr. Drew voiced hope that the new institutions would eliminate the need and expense of many students from the north, going to southern Ontario. Final plans would depend on the report of the Royal Commission on Education, expected later this year, "which will contain the advice of those who have been studying this subject in relation to the needs of the whole province."

• • •

New Brunswick

Yes, We Have Bananas: Arrival at Saint John last week, of the SS Cibao with a full cargo of Honduras bananas, marked re-establishment of the first regular service in that trade, since early days of World War II. Capt. A. E. Martin, president of the Canadian Banana Co., said recent storms in the producing areas of Central and Southern America, had curtailed the available exportable crop; but voiced hope that weekly shipments would be under way by June: "After several years' disruption of trade, we are just getting back to normal; we have the necessary tonnage available." Harbor authorities welcomed the announcement, as heralding improved employment conditions.

• • •

Prince Edward Is.

To Survey Island: Planning a geological survey of the Island this summer, the Jones Government named G. C. Milligan, of Dalhousie University, to direct the project. He will work with a geologist appointed by the Dominion Department of Mines and Resources. The program will include extensive research for road-building materials, limestone, copper and peat bogs.

Jet Plane Airport: Tenders have been called for large-scale development at the Summerside airport, which will provide for the use of jet planes. An outlay of $1.5 millions will provide in part 9,000 square yards of concrete, to replace the asphalt runways, in order to withstand the heat from jet engines. When completed, the airport will be one of three special air navigation schools in the Commonwealth for the use of British and American jet-built planes, and for instruction in advanced navigation.

• • •

Nova Scotia

U. S. Likes Washed Potatoes: Kings County potato growers were blazing a pioneer trail by shipping ready-washed potatoes in 50-lb. crates and bags, which found a ready market in New York, Philadelphia and other eastern U. S. cities. The washing process, an innovation in the Maritimes, is carried out by Boates, Ltd., at its Centreville plant, four miles north of Kentville. Roy Layton, federal inspector for Nova Scotia, reported that approximately 150,000 bushels of the province's 237,000 bushel crop had been marketed, leaving just about enough to fill growers' seed requirements for this year's planting. Certified seed was exported to 20 countries and states of the American union. Turnips were reported in good supply in Halifax; most other vegetable stocks had been exhausted.

TRADERS FINANCE CORP. has sold a new issue of $2 millions 4% sinking fund debentures series "B" due May 1, 1963. Debentures are being offered through a syndicate composed of McLeod, Young, Weir & Co., Nesbitt, Thomson & Co. and Gairdner & Co. at par and accrued interest. Average consolidated earnings available for interest over the 10-year period ended Dec. 31, 1947, has been approximately 4.14 times the maximum amount of annual interest requirements totaling $145,000 on $2 millions of 3¼% debentures and the present issue.

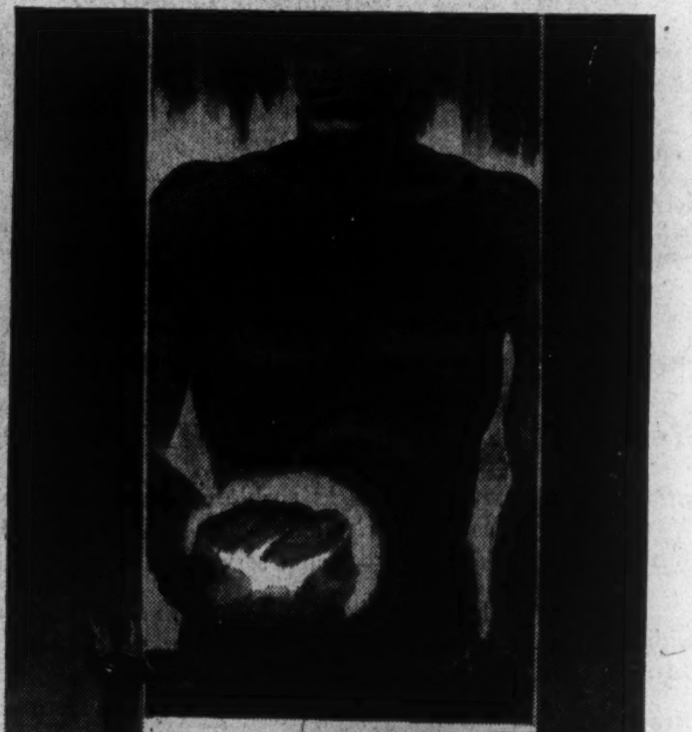
Stop WOOD ROT this New Economical way...

Safe
Effective
Easy to Use
Safe
Effective

Here's easy cheap insurance against future replacement due to wood rot or termite infestation. Amazing new wood preservatives based on NUODEX COPPER and ZINC NAPHTHENATES which proved their effectiveness in wartime jungle dampness are now doing a big civilian job and are easily available through paint suppliers. Easily applied by brush, spray, dip or pressure treatment . . . non-irritant . . . no fire hazard to your structure, copper and zinc naphthenate based wood preservatives will greatly add to the safety and life of wooden structures and surfaces of all kinds. If your paint supplier cannot fill your order, write to NUODEX for list of manufacturers.

For most purposes NUODEX COPPER NAPHTHENATE based preservatives give best results . . . for colourless treatment, use NUODEX ZINC NAPHTHENATE based preservatives.

Insist On
Wood Preservatives BASED ON NUODEX COPPER and ZINC NAPHTHENATES
NUODEX PRODUCTS OF CANADA LTD. LEASIDE, ONT.



Doorway for a GIANT

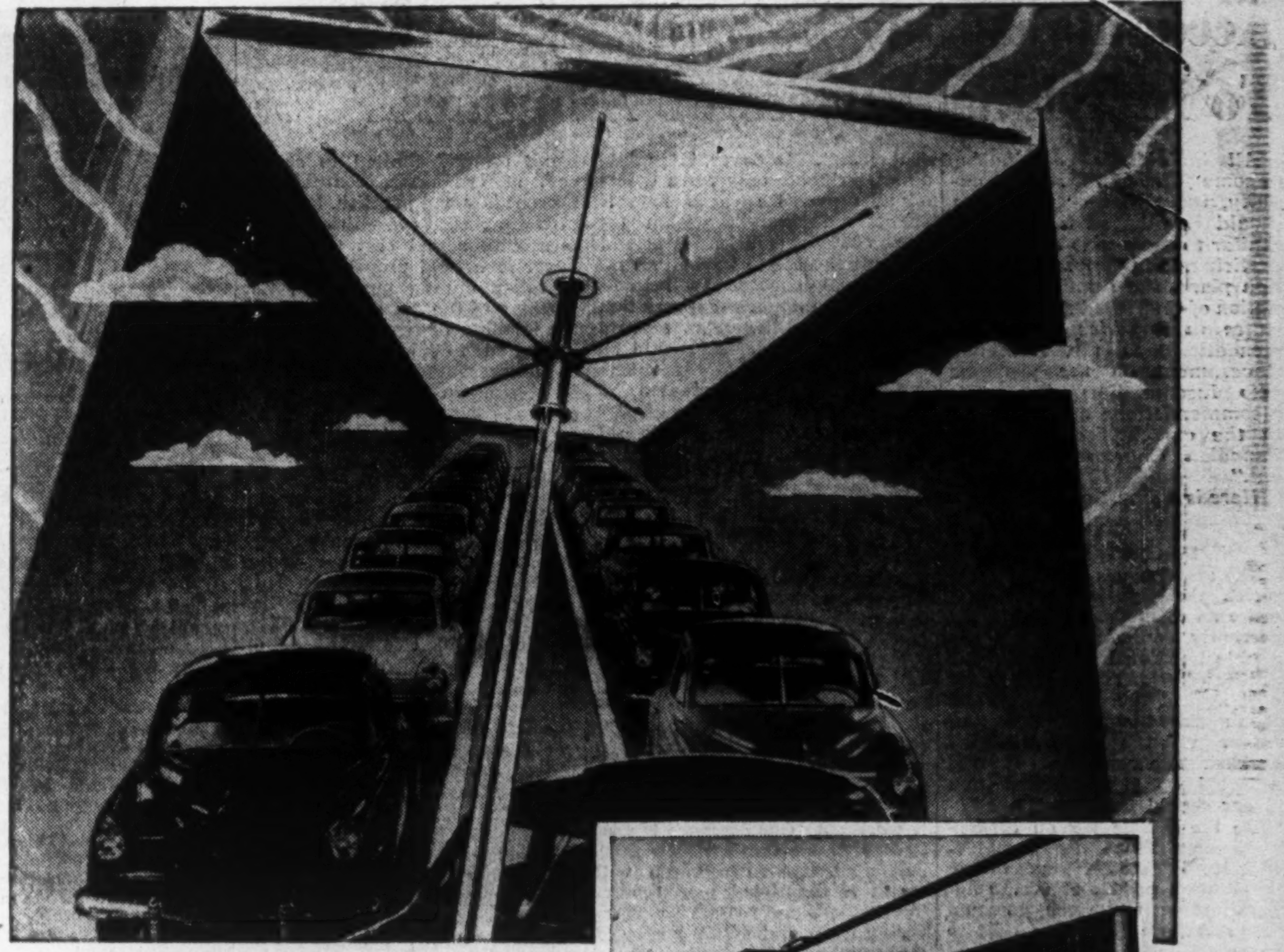
On her southern border, Alberta has a doorway to today's most powerful nation—on her northern border, a doorway to a giant of a different kind. It's the giant of the north—only partly explored, only partly developed. Already the fabulous Yellowknife and Yukon districts have yielded gold, oil, tantalum, columbium, coal, and top-secret quantities of radium and uranium. All of this wealth pours through Alberta. It's another inevitable factor in the industrial growth of this Province—a growth we're inviting you to share!

No one knows what fantastic riches may yet be found in the Precambrian Shield of the North. There are rumours of iron, of copper, silver, lead and zinc. Most products of northern mines need Alberta's cheap heat and power for refining. Some ore concentrates come to Alberta via the Mackenzie River waterway. Others are flown out, or come on the Alaska Highway. The story of the giant of the north, and its significance to your new plant in Alberta makes fascinating study. Write for full details to Alberta — the free land of free enterprise.

ALBERTA has WHAT YOUR BUSINESS needs!

WRITE --- THE INDUSTRIAL DEVELOPMENT BOARD
Administration Building
GOVERNMENT OF THE PROVINCE OF ALBERTA
Edmonton, Alberta, Canada

AG-19



Studebaker's new Hamilton plant. Thousands of square feet of special heat and glare-reducing glass protects workers inside from sun-glare and heat. Note clean, attractive exterior!

Made in the shade of a GLASS UMBRELLA

Sometimes the sun with its heat and glare can be a nuisance. That's why we use blinds and shades in homes. But blinds and shades are impractical and costly in large factories. Take the Studebaker plant in Hamilton for example. It has scores of windows and skylights exposed to direct sunlight.

Ordinary glass would give Studebaker workers no protection against the sun's glare. Glare bothers the eyes, causes fatigue, lowers efficiency; *heat* adds discomfort.

But Studebaker found a way to combat these discomforts. They asked Hobbs Glass Limited to install a special Glare-Reducing, Heat-Absorbing Glass that filters out as much as 48% of solar glare and heat.

No more eye-strain on the assembly line now! Less heat in summer! And there's no need for costly blinds, shutters or painted glass. Glare-reducing finish is permanent!

Every day Canadian architects are solving more and more problems in insulating, lighting and decorating with glass by Hobbs . . . in factories, offices and homes. In Canada—it's Hobbs for Glass! Hobbs Glass Limited, London, Canada.

Also sold in Canada by HOBBS: • PC Glass Blocks • Twindow insulating window panes • Foamglas insulation • Corrugated glass • Herculite tempered glass • Plate glass Carrara • Safety glass • Nucite glass chalkboard • Mirrors and Pittsburgh Paints with Color Dynamics.

HOBBS GLASS . PAINT

Look to GLASS for better living . . . Come to HOBBS for GLASS

Hope for Cheaper House Raised by Calgary Talks

From Our Own Correspondent

CALGARY—If private house builders aren't ready to build low-rent apartments in quantity, Ottawa will enter the field.

So Secretary Joseph T. Crowder of the National House Builders' Association warned a regional meeting of house builders here last week. The NHBA is opposed to subsidized house building. It asks Alberta house builders to draw up a program of private enterprise low-cost construction for ownership and rental in the four western provinces. It suggests that such group proposals should carry enough information to guide policy formation and action by the Provincial Governments.

Ontario and Prairie Government officials will meet here June 14, under chairmanship of Alberta Industries Minister G. E. Gerhart, to draw up a submission to Ottawa on this subject.

Bringing home the bacon...

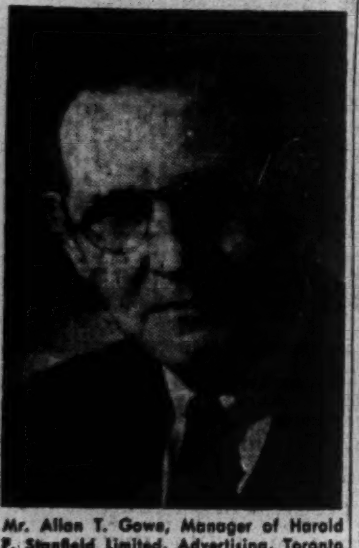
Pulp and paper earns more export dollars for Canada than any other item in our trade; twice as much as wheat; twice as much as iron and its products; and twice as much as lumber.

This great industry alone accounts for 44 per cent of all exports, except gold, to the United States.

All Canada depends on foreign trade. It accounts for a third of the income of all Canadians. Everyone benefits through pulp and paper's great exports.

PULP & PAPER INDUSTRY of CANADA
113 MILLS, SMALL AND LARGE, FROM COAST TO COAST

New Stanfield Appointment



Mr. Allan T. Gowe, Manager of Harold F. Stanfield Limited, Advertising, Toronto office, announces the appointment of Eric P. Blenkarn as Director of Plans Board in the Toronto office, the appointment to be effective June 1st. Mr. Blenkarn was originally a newspaper man with the Toronto Globe, later entered the advertising business in the middle '20's. He has been successively writer, account executive, creative director and director of the plans board of McKim Advertising Limited. *

Too Many Election Promises?

The Question: Have you any specific ideas for curbing pre-election promises involving vast public expenditures?

There is too much "pie in the sky" in present-day political platforms, in the opinion of a majority of Canadians answering The Financial Post's questionnaire. Two principal suggestions were advanced, as to means of discouraging elaborate pre-election promises. One was to convince the electors that they were simply being bribed with their own money — that all such expenditures must be met out of the taxes which they would pay. The other was to hold candidates and parties to a policy of strict accountability, and to penalize those which did not implement their pledges.

O. EDGERTON, General Secretary-treasurer, National Union of Railwaymen, Winnipeg.

If we are to build a prosperous and free economy, based on the principle that capital can be safely invested without the economic pictures being turned upside down every time a general election is in the offing, there must be government in which business can have faith. Industry must know where the nation stands, and where industry itself stands within the framework of the nation. However, as long as free speech prevails we know of no specific method for curbing pre-election promises involving vast public expenditures. It remains for the electorate to educate themselves on the issues at stake and to choose the candidate with the moderate realistic program, rather than the candidate relying on irresponsible, vote-catching slogans.

* * *

D. H. ELTON, K.C., Lethbridge.

One of Canada's vital problems in her efforts to implement social security, is the inevitable invitation to party leaders to engage in public auction of public funds—bidding for higher old age pensions, increased unemployment insurance benefits, larger children's allowances, subsidies, etc. It is only human nature, when political parties are shaking the political pre-election plum tree, for people to expect all sorts of free fruit. The only curb is a more intelligent electorate, imbued with economic sanity. We have yet to learn that in the final analysis, material things must be paid for by somebody. Let our leaders get together in caucus and agree upon a sound and sane and reasonable campaign, instead of vying as to which can offer the most for nothing.

* * *

A. GAUTHIER, General Manager, La Tribune, Sherbrooke, Que.

My personal opinion on government is summed up in these few sentences of the builder of the American Federation, Abraham Lincoln: "The legitimate object of government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves, in their separate and individual capacities. In all that the people can individually do as well for themselves, the Government ought not to interfere."

* * *

R. M. HARRISON, Columnist, Daily Star, Windsor, Ont.

If all broken campaign promises were lumped in one spot, I could stand on top of the pile and perhaps see the answer to your question. Scattered as the landscape is with shattered political planks, there seems to be no specific remedy. Except, maybe, this—and this totally idealistic and out of this world—let's have honest men and honest parties. Personally, I think that if Joe Doakes got up and said that his party was punk but doing its best, that the party had fallen down in numerous respects, Joe would be returned on the crest of the well-known tidal wave of ballots. The very novelty of candor would capture the citizenry.

* * *

EDSON L. HAINES, Haines & Haines, Barristers, Toronto.

If newspapers were to keep a record of all campaign promises and, after the election, publish weekly reports of the candidates' failure to keep the promises, politicians might be restrained through the resulting embarrassment. Few candidates could withstand such publicity, and would be quick to learn by experience.

* * *

TOM LAING, President, Weyburn Chamber of Commerce.

I suggest the Chamber of Commerce or some nonpolitical group carry on an educational program explaining to the taxpayer the extra cost to them, of all increased public services, and the effect that many large public expenditures would have on the taxpayer's pocketbook. The public must be taught that there is no such thing as free hospitalization, free school books and dental care, etc. All of these so-called free services must be paid for by the taxpayer and the taxpayer alone.

* * *

EARL MURRAY, President, Neepawa Board of Trade.

This is not a time requiring governments to provide work. Employment is plentiful. Men are scarce, and wages and materials are at high prices. Inflation is operating and more is feared. Taxation and more taxation is the authorities' chief weapon for control. Next to economy and debt reduction, more production of needed goods is the people's duty. No candidate for office who advocates new public expenditures at this time for public works, or extension of social services, is deserving of support. Electors should beware of him.

* * *

PAUL PARADIS, Correspondent, Le Soleil, Ottawa.

I don't see how it could be possible, in a democratic country, to curb pre-election promises involving vast public expenditures. In my view, they can only be counteracted, and their elimination would probably require a reform of human nature. Opposition parties, who indulge so much at times in dangerous promises, deserve a certain amount of sympathy because they have to contend very often with a government which deliberately waits until election time to take action on a whole series of public projects, most or all of which may be very sound, or on some social innovation greeted with frightened unanimity. Any curbing must be done by an enlightened public opinion.

* * *

R. J. SANDERSON, Editor, The Tribune, Minnedosa, Man.

It's up to the electors of Canada to curb pre-election promises involving vast expenditures of public funds. A government should be judged on performance during its term of office rather than party affiliation, and I believe there is a growing tendency to criticize pre-election spending by government departments. Pre-election promises have long since been ignored by most electors. More and more people are beginning to realize that it is their money that is being used to pay the shot. All realize that we in Canada right now are being taxed to the limit.

* * *

E. A. SAUNDERS, Secretary, Halifax Board of Trade, Halifax.

Pre-election promises involving the expenditure of a vast amount of government money may be curbed by the press featuring such promises in striking headlines and by the press asking where the money is coming from, and whose money is being spent. The electors will quickly realize they are being fooled for the temporary advantage of a selfish and thoughtless candidate or minister who should not be elected.

* * *

VICTOR SOUCISSE, Public Relations Consultant, Montreal.

What do you mean asking for "specific ideas for curbing pre-election promises?" This might be a direct attack on our "democratic" way of life. Seriously, the electorate has grown up considerably during the war years, and has begun to realize who pays for the useful, as well as for the obviously extravagant expenditures. Business interests should undertake educational campaigns showing that all classes are involved in the paying of both the hidden and the open taxes. The best way to reduce the effectiveness of election promises for the spending of public funds, is to show who will have to pay for them.

* * *

J. BASIL SCULLY, Station Manager, CKPR, Fort William, Ont.

As shareholders in the country's biggest business — government — we should be more concerned about how our business is administered and what dividends we can expect from our recurring tax investments. However, human nature being what it is, I doubt if you could ever educate a majority of voters to see it that way; and until a majority will demand a complete accounting from their employees in public office, I see no way in which these promises and expenditures might be curbed.

* * *

HARRY SEDGWICK, President, Radio Station CFRB, Toronto.

It is impossible to prevent vote-seeking candidates from making pre-election promises; but if the voters could be adequately informed as to the costs of "pie-in-the-sky" schemes, it might ultimately persuade political parties to couple with the rosy promise, its costs to the average voter.

Press and radio should take a more lively interest in analyzing, for the voter's benefit, in a completely impartial manner, regardless of political affiliations, the cost of promises made; and should keep the voter informed continuously as to what is happening to such promises, between elections.

* * *

NORMAN K. SMITH, Manager, Minneapolis - Honeywell, Calgary.

In my opinion a feasible method of accomplishing the matter in question is to inform the public of the country's financial status. We need newspaper and radio reports, together with attractively illustrated folders showing funds available, how obtained and how spent. Further interest could be promoted by discussions and quizzes sponsored by radio programs and service clubs. The voter can then judge the necessity of expenditures with relation to himself, his community and the country as a whole. Politicians must then convince, rather than sway, a public armed with facts and a broad viewpoint.

* * *

WM. C. STANNARD, Vice-president, Snap Co., Montreal.

Make it mandatory for all candidates to file copies of all speeches and policy statements with the press; all promises, whether local or national, to be first officially endorsed by the party and published in all provinces, with details of estimated cost and proposed method of financing. If, within one year of election, measures to implement such promises have not been adopted or rejected by House vote, the candidate be legally charged with violation of contract, and, if found guilty, be fined and his seat declared vacant.

* * *

FRANK M. SMITH, Sec.-treas., McCallum-Hill Co., Regina, Sask.

Pre-election promises involving vast public expenditures is a question which should receive serious consideration by every taxpayer. It is admitted, or generally taken for granted, that such promises are made more for the purpose of influencing the voters than primarily in the public interest. As a curb to such promises, firstly, I would suggest that the voters' attention (especially those in the so-called middle class) be forcibly called to the fact that it is their money that pays the piper. Secondly, the nonpartisan press could wield a great influence to curb this evil. Thirdly, the appointment of an independent commission to advise on public expenditures, might be of inestimable value to the country.

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(d) Purchasers will be required to take delivery of the aircraft sold at their own expense within a time limit set by the Corporation.

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678

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GOODYEAR "FACTORY-FRESH" BATTERIES

You get power at its peak and top-efficiency performance from a Goodyear "Factory-Fresh" Battery. *P.S.: Be sure to have your battery checked.*

GOODYEAR

H-483C

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Straw Briquettes

Cheap fuel from farm waste is forecast in a publication of the Manitoba Industrial Development Board. East Kildonan man makes a briquette, said to be analyzed at 6,000 btu's, from flax straw, without binder and developed by pressure only. He has built a machine mounted on a trailer (complete with compressor and gas engine to process the briquettes on farms where straw is available; is now considering erection of a plant.

• • •

Microfilm Viewer

Easier reading of microfilm is said possible with Buffalo-made viewing machine which features a screen made of special paper sealed and bonded to glass with a plastic compound, giving textureless quality which cuts eye fatigue; four-speed automatic film shifting which enables operator to run at high speed while reaching approximate spot on microfilm, then switching to slow speeds to examine titles; pick of 14x, 20x, and 35x magnification and simple focusing adjustment; copies made on photographic paper in less than two minutes, without a darkroom.

• • •

Slot-sold "Dog"

At the drop of two dimes, automatic hot-dog dispenser invented by Denver engineer delivers a warm "dog," plus a specially baked bun. They are wrapped separately in container, preventing bread from sogginess. Familiar mustard pot is replaced by ready-flavored filling used in "dogs."

• • •

Auto Turntable

Portable turntable designed by New York firm for automobile showrooms makes one clockwise turn every two minutes. The turning is done on three wheels mounted at 120-deg. angles under the centre of the table. One of these is driven by 1/16 hp motor; other two are idlers. Plugging into a 110-v outlet starts it turning; no special foundations nor wiring involved. Capacity; 4,000 pounds. Runways come in 12-ft. to 15-ft. lengths. Electrical outlet on table, permitting illumination of inside of car, is optional equipment.

• • •

Kills Odors and Germs

Fast-acting spray is said to neutralize completely all objectionable odors, and also to reduce substantially the danger of infection communicated by airborne bacteria. A Canadian product, "Ozium" is packed in highly concentrated form in small, steel cylindrical refills, each sufficient to freshen the air effectively in 20 to 30 average size rooms. Cost is approximately one cent per room. When thumb lever is pressed, fine mist-like spray is released from handy-size dispenser, penetrating entire area.

• • •

Watertight Wheel

"Aerol-Seal," watertight industrial wheel made by Los Angeles firm, claims to answer demand from industries that use material handling equipment on which water, steam, and detergents are constantly used to maintain sanitary standards, or where they are continually subjected to abrasives and other foreign matter. Advantages said to be positive seal even though wheel is submerged in water, ends greasing, eliminates rusty bearings, triples wheel life, improves rollability, and is sparkproof.

• • •

"Free Air" Painting

Free air obtained at any service station can be utilized for home painting jobs by means of miniature air storage tank which takes pressure-type or suction-type spray gun attachments. Brooklyn maker says this seven pound unit, measuring seven in. by 14 in., can also be used for inflating tires, tubes, small rafts, sporting equipment, etc.

• • •

Versatile Camera

Connecticut-made camera combines range finders, a night focussing device, and flash equipment in its aluminum die-cast body. Dual built-in range finders on either side of body focus subjects as close as 30 inches from focal plane. In poor light or darkness, the "Focus-pot" shows approximate centre of the picture and correct focus. Two sockets for flash reflectors are built into the camera's top. Bulbs can be used simultaneously or alone, depending upon light needed. In pictures without flash, the shutter can't be tripped until the film holder has been inserted and the slide withdrawn. With flash shots, the bulb won't light unless the shutter has been cocked, and the film holder inserted.

• • •

Zipper Scarf

Muffler sewn double-thick can be closed up to the throat by zipper. Neck and body of "Tu-Way" zipper scarf is tailored by Rochester firm in sizes of small, medium, and large. Men's and women's lines come with detachable zipper, while junior and children lines come in nondetachable zipper to guard against loss.

• • •

Smelting Development

Cleveland firm claims first all-electric, wholly-continuous frit smelting equipment in the industry—product of three year's extensive research. Frit is basic ingredient of porcelain enamel.

• • •

"Model" Office

Design of a "model" executives office has been developed by Armstrong Cork Co. as result of interviews with businessmen. Supplementary "ideas" portfolio has been prepared for free distribution to those interested.

• • •

Tiny Microphone

Twelve-ounce microphone is easy to carry around for remote pick-ups, and, because it's smaller than cigarette package, doesn't hide faces of singers or speakers. RCA claims that, despite its size, the tiny "mike" has output level comparable to larger conventional units.

• • •

Rubber Socket

Life of lamp bulbs subject to vibration can be prolonged several times over by means of new molded (Neoprene) Edison base lamp socket, according to St. Louis maker. It is molded as a unit to a resilient rubber mounting diaphragm that fits a standard four-inch wall outlet box. All metal parts, such as female sockets, wires, connections, etc., are protectively encased. Rubber bead on the socket's mouth fits snugly around the bulb's neck, helping to seal it against dust, water, oil, etc.

• • •

Welds Reluctant Metals

New CGE welding machine is said to be operative on such "hard to weld" metals as aluminum, magnesium, stainless steels, copper alloys, Fernico, and Inconel.

• • •

Small Carbonator

Soda fountain coils which are often a source of trouble are eliminated in a small water carbonator produced by Pennsylvania firm. Unit requires no electricity, no water pump, and has no unnecessary water drips. The carbonator, made entirely of stainless steel, Inconel and silver-plated bronze, automatically takes the air out of water, and repels any impurities in the carbonic gas.

• • •

Brands Baseball Bats

New Jersey firm claims first successful production machine for branding baseball bats; has electrically-heated slide-type branding head; for color application, a pigment or metallic transfer tape can be fed over the face of the branding die.

GERALD DIXON

of Montreal has been appointed general manager of the Canadian Institute of Plumbing & Heating.

J. G. DUNLOP

J. G. Dunlop is returning to Toronto as manager of Imperial Oil's Ontario marketing division. He succeeds W. C. Garbutt who has been transferred to Vancouver as manager of Imperial's British Columbia division. Mr. Dunlop was born and educated in Ottawa, and joined the company's Ottawa office as a mail clerk in 1904. He served in various capacities in the Ottawa office, becoming assistant sales manager in 1934. In 1936 he came to Toronto as sales manager of the Ontario division, and in 1939 moved to Halifax as manager of the Maritime marketing division. He held this position until his recent appointment as manager of the Ontario division. *

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NOVA SCOTIA LIGHT & POWER CO. 1947 net profit was off 13.7%. Tramway traffic continued to decrease as expected, but the reduction in tramway receipts was more than offset by increases in electric income in all companies, resulting in consolidated gross earnings of about $35,000 greater than in 1946.

Increased operating expenses reflect the general increase in cost of material and labor, particularly an increase of 77% in price of coal used for gas making and electric generation. The exceptionally dry year made it necessary to burn over 50,000 tons of coal at the Halifax steam stations.

More than 4,400 new electric customers were connected during the year. Through one of its subsidiaries the company acquired the entire distribution system of the Town of Hantsport in April, and this resulted in a substantial reduction in electric rates to its citizens.

Work was begun on a new 6,000 hp. electric station at Methals, Kings County, and orders were placed for machinery to double the capacity of the Black River Station. Orders were also placed for purchase of vehicles and other equipment to be used in the new trolley coach transportation system in Halifax.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Gross earnings	$5,546,450	$5,511,686
Less: Oper. exps.	3,182,431	2,785,534
Taxes	758,149	1,013,552
Net earnings	1,605,870	1,712,600
Less: Deprec.	762,900	767,700
Bond interest	252,138	264,420
Other int., etc.	3,077	982
Bd. disc. etc., w/o ..	21,700	23,135
Net profit	566,055	656,363
Less: Pref. divds.	152,400	145,800
Com. divds.	207,138	207,138
Surplus for year	206,517	303,425
Times Bond Interest† Earned:		
Before deprec.	6.36	6.47
After deprec.	3.33	3.57

†After other interest.

Earnings per Share and Dividend Record:		
Preferred	$12.78	$27.01
Paid, 6% pf.	6.00	6.00
Paid, 4% pf.	0.33	....
Common*	2.00	2.46
Paid (new)	0.50	....
Paid (old)	3.00	6.00

*After 6-for-1 com. split in July, 1947.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$182,747	$515,912
Dep. on call loans	890,000	......
Accts. rec.	391,916	396,190
Supplies, etc.	495,490	417,637
Total curr. assets ..	1,960,153	1,329,739
Dep. re tax arrears ..	1,060,000	600,000
Unamort. disc., etc. ..	285,286	255,602
Misc. assets▴	888,366	871,213
Fixed assets	21,310,276	19,527,878
Total assets	25,504,081	22,584,432
Accts. & tax. pay.....	856,383	826,423
Accr. bond int.	41,812	42,487
Other curr. liab.	460,891	498,505
Total curr. liab.	1,359,086	1,367,415
Funded debt	7,449,000	7,518,000
Deprec. res.	8,031,422	7,336,697
Other res.	643,687	552,626
Capital stock	6,091,756	4,091,756
Surplus▴	1,929,120	1,717,938
▴Incl. ref. EPT	762,833	762,833
Working capital	601,067	†37,676

†Excess of curr. liabs. over curr. assets.

INTER-CITY BAKING CO. net profit for the year ended Jan. 31, 1948 was off 15.2% from previous year. Decrease in earnings is attributable mainly to the increased cost of operations and ingredients, President C. H. G. Short stated. WPTB control of the industry ended on September 15, 1947, and considerable difficulty was experienced by the industry in the period of adjustment from subsidized to the new price levels.

During the year funded debt was reduced by $125,000, leaving $555,000 outstanding at year end.

CONS. INCOME ACCOUNT

Years Ended Jan. 31:	1948	1947
Net earnings	$523,270	$658,862
Less: Deprec.	120,840	108,369
Bond int.	33,378	39,866
Income tax	180,000	285,500
Add: Asset sale	1,072	452
Net profit	190,124	225,579
Less: Dividends	84,580	84,580
Surplus for year	105,544	140,999
Times Interest Earned:		
Before deprec.	15.71	16.54
After deprec.	12.09	13.82
Earnings per Share and Dividend Record:		
Common	$8.99	$10.67
Paid	3.00+1.00	3.00+1.00

CONDENSED CONS. BALANCE SHEET

As at Jan. 31:	1948	1947
Cash	$456,497	$463,614
Accts. rec.	98,080	78,754
Investments†	290,271	256,150
Inventories	254,415	260,485
Total curr. assets ..	1,099,263	1,059,003
Misc. assets▴	193,688	191,177
Goodwill	1,072,824	1,072,824
Fixed assets*	1,610,268	1,693,617
Total assets	3,976,043	4,016,621
Accts., tax., etc., pay.	370,507	391,629
Bonds due	555,000	......
Total curr. liab.	925,507	391,629
Funded debt	......	680,000
Capital stock	2,114,500	2,114,500
Surplus▴	936,036	830,492
*After depr. of	1,440,631	1,410,235
†Market value	294,439	263,804
▴Incl. ref. EPT	180,100	180,100
Working capital	173,756	667,374

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PACK IS
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OVER THE SEA FROM SCOTLAND

News to make old friends rejoice! Again protective packed, as pre-war, Presbyterian Smoking Mixture now brings you the same rich quality as so pleased the late Earl Baldwin that he exclaimed, as Prime Minister, in a public speech: "My thoughts grow in the aroma of that particular tobacco." "Presby Mixture" comes again fragrant and fresh as if handed to you by one of the blenders. Now at your local store . . . .

A. GALE & CO., LTD., BLENDERS,
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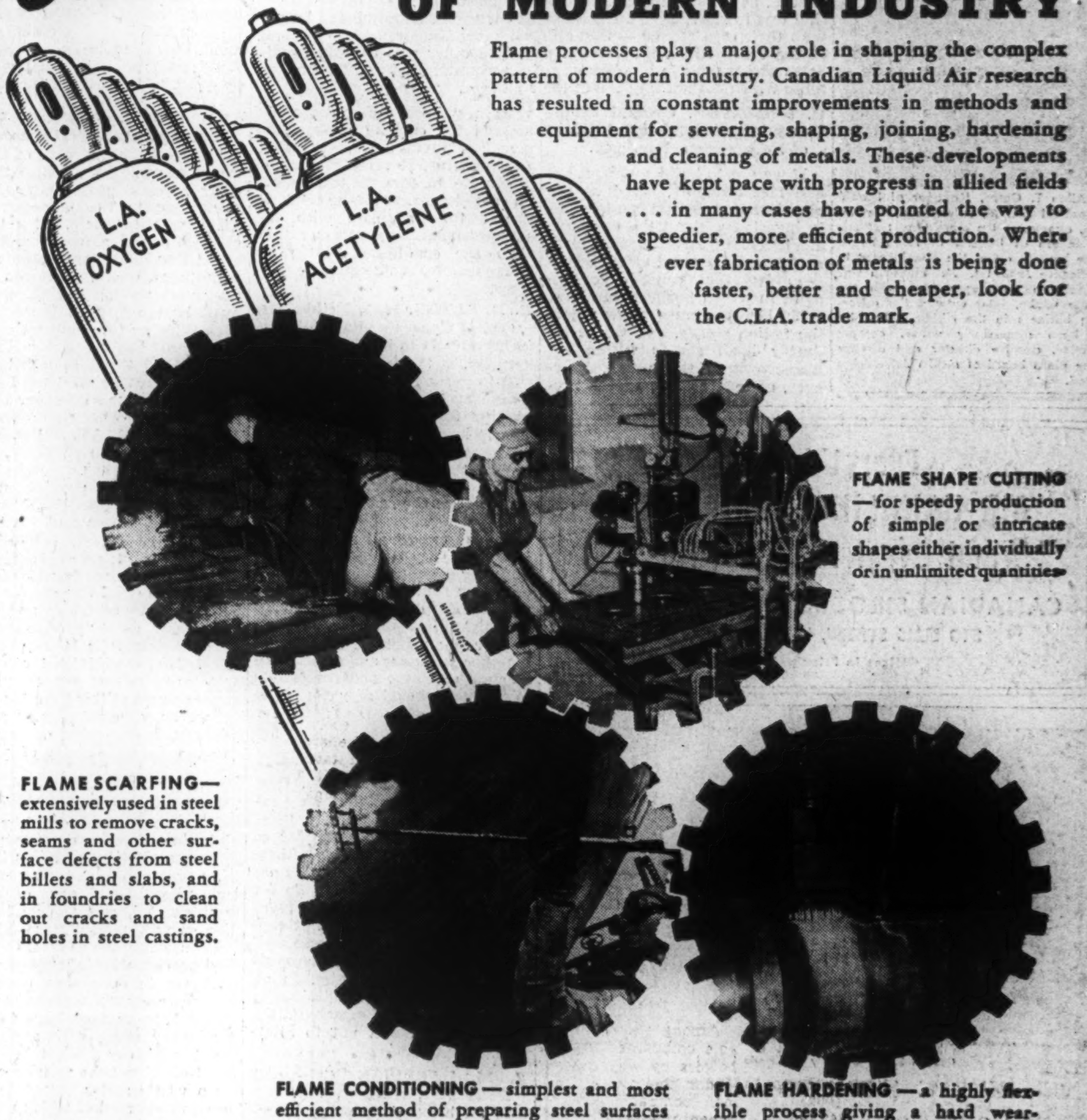
Flame processes play a major role in shaping the complex pattern of modern industry. Canadian Liquid Air research has resulted in constant improvements in methods and equipment for severing, shaping, joining, hardening and cleaning of metals. These developments have kept pace with progress in allied fields . . . in many cases have pointed the way to speedier, more efficient production. Wherever fabrication of metals is being done faster, better and cheaper, look for the C.L.A. trade mark.



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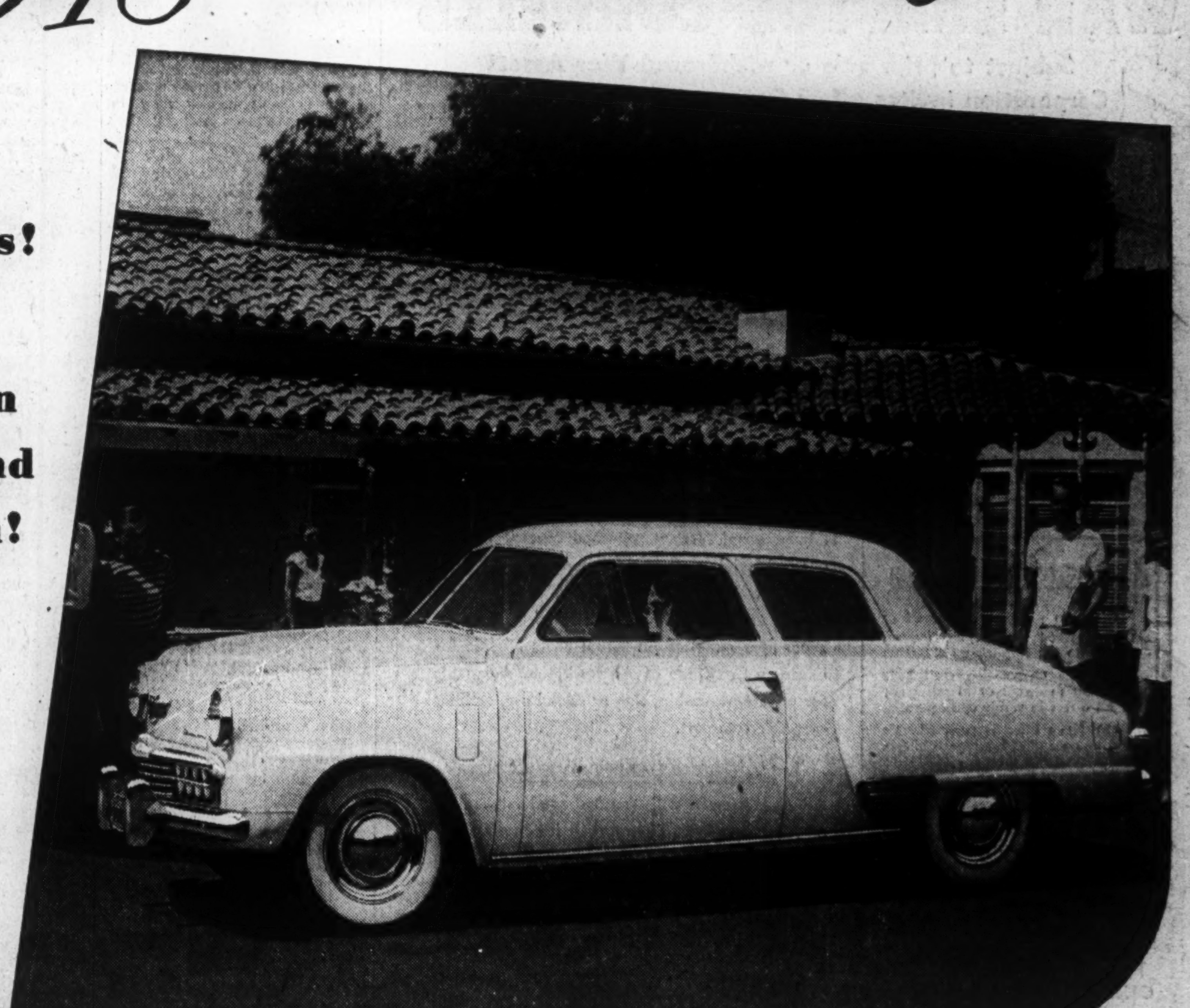

MOST people know that Studebaker was first with a postwar car.

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More and more of these superb new examples of Studebaker's revolutionary postwar styling and engineering are due to arrive shortly.

THE STUDEBAKER CORPORATION OF CANADA, LIMITED · HAMILTON, ONTARIO

The Financial Post

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Mortgage Money Continues to Flow Freely

Trust and Loan Holdings Up $70 Millions in '47

72% of Lending for Financing House Building

By W. L. DACK

Canadians are making one of the biggest concerted raids on the cash registers of loaning institutions in history. Money, dammed back by six years of war and scarcity is pouring out into new homes, factories, roads, schools, etc., at a record rate.

Loan companies are happy about it; it means wider and generally more profitable outlets for their funds. For provinces, municipalities, corporations and private individuals it means the "go-ahead" signal for many long-deferred building and maintenance programs in a period of almost prohibitive costs.

Canadians apparently have grown tired of waiting for building costs to come down. Mortgage holdings of the 52 loan, trust and insurance companies forming the Dominion Mortgage and Investment Association jumped $70 millions in 1947. The flow is increasing in tempo this year. For instance, completion of dwelling units in urban centres of 5,000 population and over, in the first quarter of 1948 was running 42% higher than in the same period last year.

Lion's share of the mortgage money is going into residential properties — around 72%. Commercial and industrial properties are accounting for about 25%. Loans on farm properties — reflecting continued high world demand for farm produce — is at a record low of less than 3%. Following table shows the trend of mortgages of both loan and trust companies, divided between western and eastern holdings:

	WESTERN (000)	EASTERN (000)
1938	$80,006	$153,350
1942	68,680	140,175
1944	49,155	128,891
1946	41,804	141,922
1947	41,847	156,215

The downward trend in mortgage holdings which commenced in 1939 was not reversed until 1945, and 1947 represented the second successive year of upturn. Only mortgages on Western farm properties continue in a downward pattern.

	Western Farms (000)
1942	$49,140
1944	32,074
1946	19,802
1947	16,458

Heavy withdrawals for investment in more "nonliquid" assets is making an impact on the "liquidity ratios" of the loaning institutions. In 1947 the ratio of liquid securities to deposits held by trust and loan companies (doing approximately 90% of the country's business), dropped approximately 5.8 points to 104.7. Though down from the all-time high of 113.5 at end of 1945 this liquidity level was still abnormally high (it stood at only 67 in 1939).

But gradually this warborn headache — deposits flowing in faster than investment channels opened up — is clearing. A bill currently before Ottawa and soon to become law will help to speed up the recovery. The bill will amend an outdated Dominion Loan Companies Act and make for much greater flexibility in loan and trust company operations.

Financial Caretakers

The business of looking after estates, trusts and agencies has become an increasingly important part of trust company operations. Here is the annual net volume since 1938 compared with 1924 (in millions of dollars):

1924	$823.0
1938	$2,369.7
1939	2,438.3
1940	2,439.2
1941	2,448.9
1942	2,483.2
1943	2,571.3
1944	2,649.4
1945	2,753.5
1946	2,814.0
1947	2,801.3

What New Loan Act Will Do

Among other things, the new act will enable companies to increase their borrowing powers by way of deposits and debentures. Under the old act, Dominion incorporated loan companies could accept deposits and debentures only up to six times the amount of their paid-up capital and reserves. With the prevailing high level of earnings and scarcity of consumer goods, the flow of deposit money into loan company tills had just about reached the limit in a number of cases. Some companies were faced with the prospect of having to refuse further deposits. Under the amended act the companies will be able to accept deposits and debentures up to 10 times their paid-up capital and reserves.

The new act will also expand the list of securities available for investment by loaning institutions. The common stocks of a number of additional companies have been added to the list of investment possibilities. This is one part of the new act that has been actively campaigned for by trust and loan company officials for several years. Now the companies are able to take increasing advantage of the high yield currently obtaining on high-grade common stocks.

Another clause in the amended act will give companies the privilege of subdividing their capital stock from $100 par value to as low as $10 par value. This will make for wider distribution of stock.

"Trust and loan company business had just outgrown the old act," a loan official summed up. "A more realistic set of regulations had to be drawn up in keeping with business conditions as they exist today."

For the trust companies, 1947 was another record year. In most instances nearly every department reported increased business. Estates, trusts and agencies under management — chief source of income for most companies — reached $2.8 billions. Successive annual increases have resulted in a rise of $432 millions in this business since 1938. In the same period total fees from handling this business jumped from $7.3 millions to $10.5 millions.

Handle More Small Estates

One of the most encouraging features of the expansion in estates business, from the trust company standpoint, is the steady rise in number of small estates coming under company management. One of the largest trust companies reported that the average size of estates, or trusts, under its administration is running between $20,000 and $25,000. The impact of taxes and their complexities in recent years has been a big factor in growth of estates business.

Trust company deposits again increased in 1947 — $13 millions to a record high of $112 millions. Since 1942, deposits held by trust companies have risen from $55 millions to $112 millions. Though the increase in 1947 was not as great as that for 1946 when deposits jumped $17 millions, it was about equal to that for 1945.

The recent quickening interest in the stock market has been reflected in rising activity in the stock transfer departments of trust companies. Bond trusteeships came into trust company hands in increasing volume during 1947. High corporate earnings has resulted in increasing activity in the dividend-disbursing departments.

The education program inaugurated by the Trust Companies Association of Ontario in February, 1946, is proving highly popular with trust officials. Being offered by Queens University, this is the first special training course for trust company personnel to be given by a Canadian university. In the second year, commencing February, 1947, there were 162 students actively engaged in the course. The course comprises the following subjects: Elements of Law; Trust Business I; Intermediate and Personal Trust Accounting; Corporation Finance; and Trust Business II.

Total Assets Mounting

Here is a record of total assets of the trust and loan companies which transact over 90% of the Dominion's business:

	Loan Companies	Trust Companies
	(in millions of dollars)	
1938	$202.3	$205.8
1939	202.7	204.2
1940	199.9	194.7
1941	197.9	199.8
1942	194.6	197.4
1943	199.1	205.1
1944	202.1	221.8
1945	207.7	242.4
1946	225.4	268.4
1947	237.8	287.9

A large demand for new corporate financing has been awaiting improvement in the stock market. Recent surge of buying strength in U. S. and Canadian stocks may be the signal for an announcement of many new financing programs. In 1947, for the first time in 11 years, corporation debt showed an increase, net increase being $85 millions.

For the second successive year there were no new issues of Dominion of Canada bonds available to institutional investors. In fact, there was a reduction of $274 millions in the amount of Dominion direct and guaranteed bonds outstanding. Holdings of Dominion of Canada bonds by trust and loan companies increased, however, as a result of purchases in the open market.

The all-important question for trust and loan companies is — what will happen to interest rates. The trend depends on a variety of factors, including willingness of the people to save, demand for capital funds, the budget position of the Dominion Government, and the policies of the central banking authorities.

One thing seems certain; savings are not likely to increase in the face of rising prices. Assuming the capital investment in 1948 is in line with the "intentions" as estimated by the Department of Reconstruction and Supply, the demand for investment funds will exert further pressure on interest rates.

For two years now the trend in mortgage loans has been up. From a peak in 1938, holdings dropped steadily until 1945. The trend was halted and reversed in 1946 and continued in 1947. All indications point to uninterrupted movement this year. Only mortgages on Western properties show a downward trend.

'British Picture Appalling But Miracles Save Us'

Her Economic Diseases Set in Long Before the War—Present Goals Still Too Low

How is Britain faring? How does her attempt at recovery compare with Holland, Belgium, France?

In another of his series of articles on his recent European tour, The Post's editor, Ronald A. McEachern, reports that the foundations of Britain's economy have been blasted.

Here's an up-to-date analysis on what "repair work" is being done, whether it will stand up under changing world conditions. This was written in London.

By RONALD A. McEACHERN

LONDON — It's no wonder that in a recent Gallup Poll 42% of Britons said they wanted to leave this country.

For this is a tragic, sad land. In Holland, Belgium and France, the visitor is likely to be surprised by the extent of the recovery achieved; by the vigor and hopefulness with which people are driving on to further recovery. Here in Britain, the impression is quite different.

The foundations of Britain's economic welfare have been blasted. Up to now, not much progress has been made in rebuilding them. True, production figures in most industries look impressive. True, Britain is building over 60% of the shipping now under construction in the whole world. True, coal and steel output is good and improving.

But, fundamentally, Britain is in a bad way. Her problem is not just recovery from war. It is twofold: to recreate foundations of her national economic welfare which began to decay long ago, and second, to do this at the same time as she is being put through a drastic revolution.

Better than anything else, this figure reveals the crucial fact about the British economy, the fundamental of today's problem.

In the years just before this war, the United Kingdom was importing 20% more than in 1913, but it was exporting 40% less. The economy was running down. But that fact was obscured by big overseas earnings and by unemployment.

The British were living beyond their national means. They weren't producing enough of the things their own or other people wanted. Like a clerk with a rich wife, they were living beyond their "earned" income.

"We've Eaten the Railways"

Two things make it impossible for Britain to go on that way:

Britain's earnings from overseas are vastly reduced because of the sale of assets. Referring to the recent sale of the Argentine railways, one Briton put it vividly: "We've eaten the railways." To buy groceries, the clerk's wife has spent her inheritance.

The second reason: For years prior to the war, Britain was running far below par because of constantly big unemployment.

Having spent "the family inheritance" or most of it, and having come into a new era in which the voters say everybody must have jobs and social security, what does Britain do now? "Sell abroad" is the slogan. "Earn dollars." That's a very fine slogan, but the realists are beginning to realize that it isn't nearly so simple to do as it sounds. In thoughtful circles here it is now recognized that big export figures this month or six months from now will fall far short of providing the answer to Britain's fundamental problems.

As The Economist said last week: "It is becoming more difficult month by month to believe that any external events will put the British economy back into working order . . . Even if world markets were to return to normal tomorrow, the British economy would still be badly out of joint."

Why?

One reason is that many British prices are now getting out of line with competitive markets. In a world starved for all kinds of goods and relatively flush with cash, Britain, like anybody else, has been able to sell almost anything to almost anybody at almost any price.

Now cash is tightening everywhere. Needs and wants are being stated.

High Costs and Closed Doors

There are grave doubts how Britain will fare in such a competitive climate. One high official told me "We'll have to bring wages down." When I asked him how, practically, that would be done and how his constituents would like it, his answers became extremely and not surprisingly vague.

Even more serious than production costs is the fact that, one way or another, for exchange or other reasons, scores of countries have their doors closed to British goods — or the door has been left open only a narrow crack.

Basically, the reason is that over the past two decades, most countries of the world have had enormous development of their own domestic industries. That means almost everywhere traditional markets for Britain have been narrowing.

And that leads to the next reason why, alone, the export drive won't solve Britain's problems.

British exports, since the industrial revolution, have been mainly staples of one kind and another. Standard quality and volume have been the mainstay of British sales abroad.

"If you want this, here it is." That well illustrates the too common British export attitude.

But now other countries are saying, "What do you want. What can we sell you. We'll make it."

For that kind of competition in world markets, the many with whom I have talked here say Britain is unready

I quote Roger Fry, the brilliant city editor of the Manchester Guardian who recently did an extensive and intensive examination of British industry — and management.

"We are astonished to find how few people in industry appreciate that an expansion of exports on the scale indicated by the targets will mean radical changes in design, the dropping of some products in favor of others, and drastic adaptation to what foreign customers want.

"What has been done so far is to export rather more of the goods which already enjoy established markets abroad."

Foreign firms, says Mr. Fry, are outpacing Britain in export markets because they quote firm prices and delivery dates; because, in consumer goods, many of them do a better designing, packaging and labelling job.

"British industry is no longer used to competition," says Mr. Fry.

Can Productivity be Raised?

And that leads to the next basic problem of the British recovery: low productivity.

The status quo — security — has been the characteristic British aim for a long time. Labor had its trade unions with their many restrictive practices attempting to preserve the traditional; to make work last rather than to make more jobs. Management, too frequently, had its cartel and other agreements, aimed at eliminating or controlling competition; at keeping business life secure, untroubled and comfy.

Europeans and Americans with whom I have talked almost invariably comment on the fact that the Englishman doesn't now and never did work as hard as many other peoples. "He wanted to enjoy his work — hence, in some lines, the very high quality workmanship. He wanted his tea morning and afternoon. He is more concerned with preserving a way of life than in changing his standard of living."

One news story that has been played up in most newspapers here tells about the effect of some local unemployment on bricklayers. "It is noted that the morning and afternoon 'Ten minutes break for tea' has in recent days been reduced from 30 minutes to 25 minutes."

One aggressive manufacturer hired a firm of industrial engineers. He spent months preparing his workers, explaining the purpose of the study, quelling their fears, forestalling blockade by the trade union.

Without spending £1 on extra or new equipment, the resulting readjustment of machinery and the flow of work brought a 43% increase in production.

Labor clings to its restrictionist point of view in many other ways. Note the violent fight against the immigration of Polish and Italian workers for the foundry industry.

Is the System Too Rigid?

On the restrictionist attitude of business, listen to Roger Fry commenting on "the frightening rigidity of Britain's productive machinery."

"Employers are clinging to their own restrictive practices, to quotas and price rings and attempts to stop the entry of new firms, or the rapid growth of the more efficient old ones.

"The Government has made all this worse. Inevitably its dealings with industry are mainly through the trade associations and the established firms. Its controls are far too tight. The civil servants are so overworked, their task so impossible, that the main test is always whether a thing fits into a neat category of what has been done before. There is no doubt that this holds down production and delays changes."

There is another very basic reason for low productivity, both from the labor and the management side. I put it in the words of one British businessman:

"We're all punch drunk. Nervously and physically we're fagged out. The bombing will take a long time to get over. We thought when war was over, we'd be able to eat well again, to get back to normal living again. But, apart from the fact that there are no bombs now, living is just as bad as it was at the height of the war. With government regulating everything, a businessman has no incentive to try hard or to try anything new. With taxes the way they are, there's no hope of saving any money and even if you make more, there's no pleasure to be got out of it. So we just go through the accustomed motions. We still have hopes, I suppose, that in another five or ten years our country will get back on its feet. But we can't hope the way we used to."

He added this significant remark:

"One thing I notice, and it's not a good sign: We don't complain much any more. We just sort of take it for granted that things will be bad."

The foregoing is not typical of what most Englishmen tell a visitor. Telling visitors a highly favorable and optimistic story of British recovery is apparently an assignment which many Britons have given themselves.

But give them time and keep on asking questions. Once candour starts to flow, their story becomes grim, and very sad.

Here's a housewife talking. She is mother of three sons (youngest 15):

"By every standard, our family would be called successful — in a good middle-class sort of way. My husband has an income on which we should be able to live nicely, with good holidays, good savings and a substantial amount of life insurance.

"But what you would say should have been the best years of our lives have all been years of privation and a lot of misery. I still spend hours standing in queues to buy food. I still carry most of the stuff home. We can't use our car. We've had to drop a lot of our life insurance. With these taxes and prices, there's no hope of saving any money. We can't get permits to keep our house in decent repair. By this time our prewar supply of clothing, sheets, towels — all that sort of thing — is finished.

"I used to think I was a fairly strong woman. But friends in Canada send me copies of magazines. They often make me cry. To think of all the lovely things Canadian women can buy — and wear, and do! The lingerie ads, for instance. I can hardly remember what decent underclothes feel like. For years, they've just been rags sewed on rags. I guess it's too late for my husband to move and get a job in some other country. But we're determined, as each of our sons finishes college, to get them out of this country."

The Government's Attitude

The Socialist Government, however, is very happy. Most of its members have never had such a pleasant or profitable time in their lives. Back benchers generally have much more influence than back benchers at Ottawa because most of them have their "private army," a trade union. Currently, they are completely confident of victory at the next election. They see no force or combination of forces arising which will go further than they in promising things for the millions.

The socialization program roars on. The critics say: "Put first things first. Let's make some headway on recovery. Let's try to get out of our present mess. Let's not add chaos to chaos. If you must socialize, please, let's do one thing at a time. Socialization can wait."

But no, socialization is pushed everywhere. The Government well knows that you can't unscramble eggs. It wants to make certain of getting a program through from which there can be no retreat.

The first report of the National Coal Board will, it is estimated here, show a loss of over £20 millions. Despite its vigorous exhortations to the miners to work, and despite an enormous amount of additional mechanization, the record shows that there is no improvement in output per man shift. In 1938 it was 2.9 tons. Now it's around 2.85 tons. In many of the mines the record shows that five men are doing what four did prewar.

Sir Charles Reid of the Coal Board has publicly complained low productivity must not go on. He warns. "The Board cannot go on pouring money into the industry without a corresponding improvement in production." (It has just been announced that Reid has resigned.)

To which a newspaper commentator replied: "There is no sign yet of the fervor which many Socialists expected state ownership to create in the industry . . . Nationalization is proving not only a great economic adventure, but a great and so far disappointing experiment in the working of human nature."

People Becoming Cynical

The men of Westminster are getting much evidence that human nature does not bend easily to their laws.

Here's a businessman speaking. He told me: "We used to be a very law-abiding people. During the war, we were remarkably obedient to rationing and all the other regulations. But now we're getting to be a cynical, law-breaking people. Everywhere the habit of breaking or getting around laws is growing. That's not good."

Human nature is also expressing itself in investment markets. "What is experienced money doing these days?" That question I put to a half dozen financial men. The answers were all about the same. It's going out of governments bonds into industrial stocks, not because it particularly likes some of the industrials, but because it definitely dislikes the government bond outlook.

"It's just the law of supply and demand. The Government is putting out vast new issues to put through its nationalization schemes. It has many bureaus and funds which it can force to buy big blocks of these bonds, but the public is rightly growing skeptical. One issue, called Daltons is down to about 76. Every new issue gets stickier."

Another major phase of the investment business currently is the sale of private companies to the public. Generally, the public is paying handsome prices. I am told the price is often on the basis of average earnings for the past five years. With taxation and regulations what they are, the buying and selling of companies rather than the management of a company is attracting a growing group of operators. "Capital gains and several expense accounts are my only means of having enough money to live decently," one of these men told me.

Another man showed me a dividend cheque for £2,818. His accountant figured that after taxes he would have £72 left.

For the visitor today, Britain is a drab, sad place. Hotels are jammed. Without advance reservations, restaurant meals almost invariably involve a long wait in the line-up. Cheapest cigarettes are 85c for 20 and the visitor usually must pay more.

What's in the Future?

And what's ahead for Britain?

Here are a few quotations from Britishers in positions which give their words value.

"You should emphasize the extent and scope of the revolution which has taken place and which is still going on. It's bloodless but it's just as sweeping as the French revolution. Even here, it's difficult to realize just how drastic the revolution is. So far it's all been a levelling down. For the whole middle class the only prospect is a permanently lowered standard of living."

What about economic recovery? Progress there is in almost every industry. But as pointed out earlier, meeting present production and export targets won't be enough to rebuild the foundations of the British economy. Literally throwing up its hands at the outlook the best The Economist can say is: Britain must re-equip, must modernize. Its workers and its businessmen must acquire an expansionist, enterprising mentality. Britain in the decades before the war was living beyond its means. "Without a mighty effort of self-analysis and regeneration, Britain will find itself dying beyond its means."

Is this too gloomy of a view of Britain? Perhaps. But it is a report based on scores of conversations with many different kinds of people.

But this comment by one sage, old investment banker in London should be added: "When you put down the facts about our situation today, you inevitably reach an alarming conclusion; the picture is appalling. But many times in history our situation at the time seemed almost hopeless. But somehow this country seems to have a talent for survival. It will require a miracle to bring this country back, but we British have had the benefit of miracles before."

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Trust Companies Reviewed

Acadia Trust

Acadia Trust Co. net profit for year ended Nov. 29, 1947, was substantially the same at $41,878 as the 1946 profit of $41,098.

Estates, trusts and agencies under administration stood at $8,144,159, an increase of $280,675 in the year. Guaranteed funds were off $193,837 to $1,576,777. Assets of capital account at $1,259,896 were up $43,887, and included first mortgages of $141,195 ($115,002 in 1946). Company head office is in Truro, N.S.

Adminis. & Trust

Administration & Trust Co. 1947 net profit was off somewhat at $38,455, after taxes of $23,383. Previous year's profit was $50,324 after taxes of $16,833. Estates trusts and agencies under administration totaled $27,666,143 at year end ($28,799,695 at close of 1946). Guaranteed funds dropped to $67,300 from $168,132.

Societe d'Adminstration et de Fiducie is interested principally in administerng estates. Head office is in Montreal, with branches at Quebec City, Winnipeg, Regina, Edmonton and Vancouver.

British Can. Trust

British Canadian Trust Co. 1947 net profit was $15,451, an increase of 65.5% over 1946. All branches of the company showed a marked increase in volume and earnings.

Estates under administration totaled $2,234,778, up $294,122. Trust funds at $582,403 were down $12,958. No real estate was held for sale at the end of 1947. General and bad debt reserves were up to $22,399 ($20,802 in 1946).

The usual dividend of 5% was paid in 1947. The company, which has its head office in Lethbridge, is one of the oldest institutions in southern Alberta.

British Mortgage & Trust

British Mortgage & Trust Corp. of Ontario net profit for 1947 amounted to $101,466 ($97,681 in 1946). Estates, trusts and agency funds under administration declined $25,969 to $765,085. Total of guaranteed trust account was $9,190,681, up $168,120. Mortgages and agreements for sale increased to $3,303,594, up from $2,919,542.

The company marked its 70th anniversary in 1947 with payment of a special dividend of $1 per share in addition to regular distribution of $8 per share. General reserve increased $50,000 to $900,000 through transfer from a special reserve set up for agreements of sale, where it is no longer required. The company is located at Stratford, Ont.

Brockville Trust & Savings

Brockville Trust & Savings net profit in 1947, after provision of $26,500 for Dominion taxes, amounted to $40,494, compared with $46,473 (which included $11,654 transferred from contingency reserve) in 1946. Estates, trusts and agencies under administration amounted to $2,218,360, up from $2,120,936 at the end of preceding year. Guaranteed trust funds totaled $1,774,837, up from $1,530,513 in 1946.

The company was originally incorporated as a savings and loan company in 1885, the trust field being entered in 1929. Mortgage loans are entirely in Ontario, comprising mostly mortgages on urban property. The company has no real estate for sale. Dividend payments totaled $2.87½ per share in 1947, the same as paid in 1946.

Can. Perm. Trust

Net profit of Canada Permanent Trust Co. showed a modest increase of $5,041 to $85,642 in 1947. There was also a gain of $545,035 in amount of trust and estate assets under company's administration, so that total of $69,145,852 at end of 1947 was largest in history of company. In 1947, 356 new estates, trusts and agency accounts came into company's hands for administration, with assets aggregating over $8 millions.

Guaranteed investment receipts were substantially reduced to $86,516 from $224,919 at end of 1946, in line with policy to achieve a position wherein the company will have no borrowed funds and no obligations to lenders.

During the year, authorized capital stock was increased to $5 millions from $1 million, to put the company in a position where it can issue more capital to keep pace with growth of assets under administration, which have trebled since 1930 and are over seven times as much as they were in 1925. A transfer of $100,000 was made from profit and loss account to bring fixed reserve up to $600,000.

By reason of purchase by Canada Permanent Mortgage Corp. of the assets of Midland Loan & Savings Co. in Jan., 1948, the trust company was able to extend its services to eastern Ontario where the Midland Loan was well known.

Canada Permanent Trust Co. is controlled by Canada Permanent Mortgage Corp. through ownership of 98% of issued capital stock. Head office is in Toronto with branches from Halifax to Vancouver.

Canada Trust

Substantial gains in total assets of Canada Trust Co. to over $107.8 millions resulted from acquisition, March 31, 1947, of assets of London & Western Trusts Co. Estates, trusts and agencies jumped from $36 millions to $92 millions. Guaranteed trust funds deposited with the company grew from $7.9 millions to $13.2 millions.

Net profit for 1947 amounted to $105,105, against $87,565 the previous year. After payment of regular dividends totaling $60,000, and provision of $26,830 for staff pension fund, a balance of $59,781 was carried forward as undivided profits. Dividend payable June 30, 1948, will be in amount of 3½%, at rate of 7% per annum.

Deposits by the public in guarantee deposit certificates amounted to $5.7 millions and investments in guaranteed trust certificates were shown at $7.4 millions. Mortgages and sale agreements in guaranteed trust account totaled $6,322,189 ($3,546,783 in 1946).

Head office of Canada Trust Co. is at London, Ont., and branches are located across Canada, with the exception of the Maritime provinces. Control is held by Huron & Erie Mortgage Co.

Capital Trust

Capital Trust Corp. sold its assets on May 31, 1947, to Guaranty Trust Co. of Canada, and will not publish an annual report for 1947 operations. Both companies are now merged in the Guaranty Trust Co.

Central Trust

Net operating profit of Central Trust Company of Canada increased to $32,509 for 1947, compared with $28,254 the year before. After providing for Federal and Provincial income tax of $12,305, 1947 net profit was $20,204 ($16,414 in 1946).

Total assets in the hands of the company amounted to $13,114,332 at the year end, an increase of $2,828,796. Repayments on mortgage investments continued satisfactory, with no interest in arrears.

The sum of $38,130 was added to general reserve, which now represents $75,000. Paid-up capital was increased $20,750 and now stands at $266,550.

Company's head office is in Monction, N.B., and branches are maintained at Saint John, Fredericton and Woodstock, N.B., and Amherst, N.S.

Chartered Trust

Chartered Trust & Executor Co. enjoyed another year of growth in 1947, with assets under administration at a new high, and with earnings available for distribution equalling those of the record year of 1946, President R. R. Corson stated at the annual meeting. Net earnings were considerably less in 1947 at $184,178, against $215,363 the previous year. After providing for Dominion and Provincial taxes of $55,000 ($76,000 in 1946), depreciation of $15,776 ($15,259) and contribution to pension fund of $11,465 ($22,179), net profit for 1947 amounted to $101,937 ($101,925 for 1946).

The year was not as active as 1946 in some departments of the company. Volume of transactions in real estate dept. was less, though at a very satisfactory level, it was reported. Substantially less activity on Toronto Stock Exchange reduced income of stock transfer and clearing-house departments.

Savings dept. had a steady growth. In Toronto, amount on deposit ($9,350,000) was 13% higher than previous year. A savings dept. was started in the Montreal branch in spring of 1947, and has had a very satisfactory growth. At end of 1947 it had slightly over $1 million on deposit.

Estates, trusts and agencies being administered increased both in number and value. These trusts have a value of $31,761,082, an increase of 18% over 1946. This is the most substantial increase in any one year since company started business.

In guaranteed account, all ordinary Guaranteed Investment Certificates are invested in first mortgages. Trust deposits are invested as to 73% in government or government-guaranteed bonds, 3% in municipal bonds, 19% in cash or call loans, and 5% in mortgages. In 1947, the company earned 2.61% on bonds and debentures held for savings accounts as against 2.86% earned in 1946.

An amount of $50,000 was transferred from surplus during the year to bring reserve up to $800,000, leaving a balance of $200,000 required to reach the company's present objective of a $1-million reserve.

Head office of Chartered Trust is in Toronto, with a branch in Montreal.

Crown Trust

Crown Trust Co. (formerly Crown Trust & Guarantee Co.) net profit in 1947 was $131,996, after taxes of $50,000, against $118,754 after $25,000 taxes in 1946. Earnings were well maintained in all departments, while income from guaranteed dept. hit a new high.

Total assets increased to $94,696,789, a gain of $3,712,730. Assets held at capital account totaled $1,982,625 ($1,930,221 a year earlier). Estates, trusts and agencies account increased to $80,003,150 from $76,146,070.

In guaranteed trust account funds for investment increased by $42,120 to $5,713,212, but trust deposits declined slightly to $6,997,802 from $7,236,676 in 1946. Liquidity of assets held against withdrawable deposits at end of 1947 was 86.73% (88.91% at close of 1946).

Geographical distribution of mortgages, including all mortgages and sales agreements and real estate in capital and guaranteed departments at Dec. 31, 1947, was as follows: Ontario, 78.55%; Quebec, 7.25%; Manitoba, 5.65%; Alberta, 4.63%; British Columbia, 2.27%; Saskatchewan, 1.65%.

The present company is result of a merger of Trusts & Guarantee Co. and Crown Trust Co. in May, 1946, giving clients equivalent to head office service in Toronto, Montreal and Calgary, with branches in Brantford, Windsor and Winnipeg.

Eastern Trust

Eastern Trust Co. net profit increased to $126,936 in 1947, up from $117,191 the year before. The company's business again expanded and a branch office was opened in Yarmouth to serve western Nova Scotia.

Total assets increased by $4,061,738, a new high. Estates, trusts and agencies under administration totaled $79,042,733, a jump of $3,443,385. The sum of $50,000 was transferred from real estate and contingency accounts to bring the reserve fund up to $550,000. An amount of $18,951 was written off office fixtures, and office premises were written down by $11,943.

Authorized capital was increased to $3 millions from $1 million so that the company's expansion might not be impeded.

Head Office is in Halifax, branches are maintained at Montreal, Saint John, Moncton, Charlottetown, Toronto, Lunenburg, New Glasgow, and St. John's (Nfld.).

General Trust

Total value of assets under administration of General Trust of Canada for 1947 totaled $128,075,524, an increase of $11,013,336 over 1946. Gross income for 1947 increased by over $25,500 to $309,139. An amount of $10,000 was transferred to investment depreciation and $39,914 provided for taxes, leaving net profit of $80,380 ($73,723 in 1946).

Guaranteed accounts amounted to $3,878,455, against $3,041,507 at the end of 1946. Book value of assets under administration rose to $72,897,451 from $66,616,710, and that of assets in custody to $49,897,451 from $46,756,884. Assets of the company are invested as to 21% in mortgage loans, 10% in preferred stocks, 54% in negotiable bonds, and the remainder in advances to estates and trusts under its management.

Head office is at Montreal, with a branch in Quebec City.

General Trust & Exec.

General Trust & Executor Corp. net profit amounted to $15,815 in the year ended Feb. 29, 1948 ($26,862 in preceding year).

First mortgage investments increased by $363,000 to $1,593,851. Payments were met in a satisfactory manner with no interest due and uncollected at the end of the year. No properties are held for sale and no foreclosure actions instituted. Estates account amounted to $2,152,813 ($1,898,993 the previous year). Guaranteed trust account stood at $1,645,732, up from $1,292,558.

Net earnings were maintained with a slight improvement over the previous year. There was little change in the company's bond holdings, and profit on bonds sold was nominal at $13, compared with the substantial amounts reported in the last two years. Dividends of 4% per annum ($12,000) were again paid. Head office is in Halifax.

Grey & Bruce

Grey & Bruce Trust & Savings Co. reported substantial progress in every department during 1947. Net earnings were $80,708, compared with $73,015 in 1946. After providing for government taxes of $10,730 and depreciation of $2,557, net profit for 1947 was $67,422 ($56,451 the year before).

Deposits and guaranteed investments at end of 1947 totaled $10,005,109, an increase of $1,796,600. Dominion, provincial, municipal bonds and security holdings rose by $289,197 to $6,256,671, and are shown at cost which is less than market value. Mortgage investments amounted to $3,713,443, up $1,447,202 from 1946. Estates and trusts in company's care advanced to $3,083,988 from $2,577,454. Total assets under administration stood at $13,971,845 at end of 1947, against $11,633,311 a year earlier.

The company serves the cities of Owen Sound and Peterborough and surrounding districts.

Guaranty Trust

Guaranty Trust Co. of Canada experienced the best year in its history in 1947—best in earnings, in total assets under administration, in total of new business assumed, and in volume of potential future business, President J. Wilson Berry stated. This reflects the acquisition of the business and assets of the Capital Trust Corp. on May 31,

Net profit increased to $46,838 for 1947, against $28,404 the year previous. Reserve fund increased to $500,000 by addition of $100,000 derived from premium charged on the sale of new capital shares.

Deposits by the public jumped to $15,593,573 from $5,683,142 in 1946. Estates account increased sharply to $34,706,927, up from $21,677,531, Ratio of liquid assets to savings is over 128%.

Head office is at Toronto. Branches are maintained at Ottawa, Windsor, Niagara Falls, Sudbury and Montreal, and agencies at Calgary, Halifax, Vancouver and Winnipeg.

Guardian Trust

Guardian Trust Co. net profit for 1947 was $12,769, excluding profit on sale of investments of $735 ($10,492, apart from investment profit of $4,673, in 1946).

During 1947, new estates and trusts were received in amount of $2,644,848. Estates and trusts discharged amounted to $1,785,269

(Continued on page 21)

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THE FIFTY-SECOND ANNUAL REPORT OF

The Victoria Trust and Savings Company

Head Office: Lindsay, Ont. **Branch Office: Cannington, Ont.**

T. H. STINSON, K.C., *President* — G. A. WEEKS, *General Manager*

—DIRECTORS—

C. E. WEEKS, K.C., *Chairman of the Board*
H. J. McLAUGHLIN, K.C., *Vice-President* — W. WALDEN, *Vice-President*
F. G. PERRIN W. W. McLAUGHLIN, K.C.
S. A. FLAVELLE GORDON S. MATTHEWS

BALANCE SHEET — DECEMBER 31st, 1947

CAPITAL ACCOUNT

ASSETS		
Office Premises and Safe Deposit Vaults at Lindsay and Cannington		$ 24,200.00
Real Estate held for Sale		40,625.02
Mortgages and Agreements for Sale — Principal	$242,322.82	
Interest	1,240.68	243,563.50
Securities and Accrued Interest — Dominion and Provincial Government Bonds	$400,754.51	
Municipal Bonds	155,673.85	
Other Bonds and Debentures	137,472.75	693,901.11
Stocks		665,832.34
Loans on Bonds and Stocks		108,464.52
Advances to Estates, Trusts and Agencies		20,554.46
Cash on Hand and in Banks		84,347.57
		$ 1,881,488.52

LIABILITIES	
Capital Stock Subscribed and Fully Paid	$ 1,110,000.00
General Reserve Fund	650,000.00
Reserve for Dominion and Provincial Income Taxes, less paid	45,767.44
Mortgage Liability	4,735.85
Dividend No. 182 payable January 2nd, 1948	16,650.00
Profit and Loss	64,335.23
	$ 1,881,488.52

GUARANTEED TRUST ACCOUNT

ASSETS		
Mortgages — Principal	$6,509,084.50	
Interest	70,238.20	$ 6,579,322.70
Securities and Accrued Interest — Dominion and Provincial Government Bonds	$2,863,759.06	
Municipal Bonds	893,124.28	
Other Bonds and Debentures	1,137,576.98	4,894,460.32
Stocks		344,347.92
Loans on Bonds and Stocks		6,782.25
Cash on Hand and in Banks		196,867.20
		$12,021,780.39

LIABILITIES	
Guaranteed Investment Receipts	$ 8,598,176.60
Trust Deposits	3,423,603.79
	$12,021,780.39

ESTATES, TRUSTS and AGENCY ACCOUNT

ASSETS	
Funds and Investments held in Trust	$ 2,482,223.02
	$ 2,482,223.02
	$16,385,491.93

LIABILITIES	
Estates, Trusts and Agencies	$ 2,461,668.56
Advances from Capital Account	20,554.46
	$ 2,482,223.02
	$16,385,491.93

T. H. STINSON, *President* G. A. WEEKS, *General Manager.*

British Canadian Trust Company

Incorporated by Special Ordinance of the Northwest Territories of Canada (1901 Chapter 35) to Act as

Executor, Administrator, Trustee, Guardian, Authorized Trustee in Bankruptcy, Mortgage Loans, Rental Agents

INSURANCE

Fire, Plate Glass, Automobile, Hail, Liability, Burglary, Guarantee Bonds

MANAGERS: BRITISH CANADIAN FINANCE, LIMITED
H. D. ROOD, Manager and Secretary

LETHBRIDGE-ALBERTA Office-315—6th St. S.

THE BROCKVILLE TRUST AND SAVINGS COMPANY

Brockville, Ont., Canada

Paid-up Capital	500,000.00
Reserve Fund	235,000.00
Investment Reserve	48,702.79
Profit and Loss	17,099.84
Total Assets	4,821,649.83

DIRECTORS

J. Gill Gardner, *President*
Geo. T. Fulford, *Vice-President*
E. J. Smith, *Managing-Director*
F. I. Ritchie
W. B. Reynolds, M.L.A., A. G. Parish, K.C.
J. M. Dobbie
E. C. Cossitt Hon. H. A. Stewart, K.C.

It's For You To Choose

To settle your estate, you may select an individual with little or no experience, or you can select an institution of demonstrated ability thoroughly familiar with the problems involved.

The Executor's fee in either case will be the same.

Write for your free copy of our booklet: "Wills and the Conservation of Estates."

GUARANTY TRUST

COMPANY OF CANADA

NIAGARA FALLS SUDBURY MONTREAL TORONTO OTTAWA WINDSOR

AUTHORIZED TO CONDUCT THE BUSINESS OF A TRUST COMPANY THROUGHOUT CANADA

Loan Companies Reviewed

Can. Permanent

Canada Permanent Mortgage Corp. 1947 net profit increased 4.2% to $766,331. Balance carried forward at year end, $585,221, was up $56,331.

Total assets rose to a new high of $77,779,688. Mortgage investments were increased by $2,426,801 to $41,826,003. Real estate held for sale has almost reached the vanishing point, and consisted at the end of the year of four properties carried at $8,492. Loans on stocks and bonds were slightly lower. Investments in bonds were higher by $746,380, and holdings of stocks were up $575,963.

Investments in the corporations Sterling debentures declined by $323,135 to $1,578,677, but investments in currency debentures were higher by $554,750 at $29,911,845. Money on deposit reached a new high of $33,425,003, a growth of $4,071,591 during the year.

Acquisition of Midland Loan & Savings Co. of Port Hope, Ont., for $1,062,000 was completed Jan. 2, 1948. Assets of this company are therefore not included in the 1947 accounts of Canada Permanent.

The Corporation controls through stock ownership Canada Permanent Trust Co. Head office is at Toronto, with branches across Canada.

Central Canada

Central Canada Loan & Savings Co. net profit for 1947 was $225,932, against $217,565 the previous year. Balance carried forward into 1948 profit and loss account amounted to $282,763.

Reserve fund stands at $2.5 millions, an additional $400,000 having been transferred from contingency reserves during the year. Mortgages and agreements for sale were down to $33,904 from $37,139 in 1946. Securities at year end totaled $5,177,812, up from previous year's $4,760,667. Head office is at Toronto.

Credit Foncier

Total assets of Credit Foncier Franco-Canadian at end of 1946 amounted to $51,009,204, an improvement of $5,739,660 over 1945. Mortgages and sales agreements aggregated $29,809,680, compared with $25,761,982 at 1945 year-end.

Liabilities to public advanced to $30,044,184 from $24,550,401. Surplus carried forward at Dec. 31, 1946, was $813,083, up from $776,962. Net profit amounted to $462,695, as against $435,678 year before.

Annual report for 1947 will not be available until end of May, when the annual meeting will be held. Head office is at Montreal, with branch offices in Quebec City, Toronto, Winnipeg, Regina, Edmonton and Vancouver.

Debenture Co.

Total assets of Debenture Co. of Canada increased by $28,523 to $707,408 during year ended Nov. 30, 1947. Agreements for sale and real estate dropped to $94,650 from $100,068. Bonds and stocks rose by $40,078 to $582,808 — approximate market value at fiscal year end — $588,355.

Net profit for 1947 was off at $66,677, against $111,211 the year previous. The regular dividend payment of $5 was maintained. Head office is at Regina.

Eastern Canada

Eastern Canada Savings & Loan Co. 1947 net profit amounted to $84,792, against $63,027 the previous year. Loans secured by mortgages, agreements for sale etc., increased to $9,144,398 ($7,000,854 in 1946). During the year, loans amounting to $3,660,632 ($2,902,066 in 1946)) were made and repayments amounted to $1,517,088 ($1,508,233), showing a net gain of $2,143,544 ($1,393,833).

During 1947, issued and paid-up capital stock was increased to $1 million. The new shares were offered at $120 per share to shareholders in ratio of one-new-share-for-each-three-held. All shares were taken up. The total premium, $50,000, was transferred to reserve. A special tax fund of $45,000, not now required, and sum of $5,000, were both also transferred to reserve increasing that fund to $550,000.

Contingent account was increased to $42,226 through transfer of $28,247 realized from sale of assets. In addition to regular 6% dividend, a special payment of 1% was paid Feb. 2, 1948. Head office is situated at Halifax, N.S.

Empire Loan

Empire Loan Co. net profit for 1947 amounted to $4,455 ($547 in year previous). Net loss on properties sold was $6,800, against loss of $11,796 in 1946.

Mortgage account increased by $17,921 to $114,387. Values of city apartment blocks were down to $326,903, after providing depreciation. Other real estate holdings declined to $17,603 from $34,403, and cash dropped to $1,665 from $13,801. Head office of the company is at Winnipeg.

Guelph & Ont.

Guelph & Ontario Investment and Savings Society 1947 net profit rose slightly to $93,513, compared with $92,346 the year before. Mortgages and sales agreements at year end stood at $3,610,300, up $68,064. Real estate held for sale was reduced to $1,470 from $17,125.

Deposits in savings department increased by $62,518 to $2,276,026, a new high. Debentures issued amount to $2,622,760, down from $2,680,921 in 1946. Liquid assets were 118% of savings deposits.

A dividend of 5% was again paid on capital stock. An amount of $40,000 was transferred to investment reserve. Head office is at Guelph, Ont.

Huron & Erie

Huron & Erie Mortgage Corp. net profit for 1947 was up 13% at $362,223. After payment of $225,000 in dividends, $33,365 written off office premises, $23,760 contributed to staff pension fund and $100,000 added to reserve, balance carried forward was $70,026.

Total assets now amount to $50,511,425, an increase of $1,705,332 over 1946. Savings deposits climbed to $24,019,425 from $21,958,435. Canadian debentures at $18,918,091 showed little change.

No unsold real estate was on hand at end of 1947, for the first time since 1930. Mortgages and agreements for sale were up $673,217 at $20,246,877. Bonds of Dominion of Canada and of, or guaranteed by, provinces amount to $20,426,975. Other bonds and debentures total $998,459. Cash in branch offices and on deposit was higher at $2,188,029, and liquid assets were equal to 97% of savings deposits with the corporation.

Combined assets of the corporation and its subsidiary, Canada Trust Co., including assets of the London & Western Trusts Co., which was acquired March 31, 1947, now exceed $155 millions. Head office is at London, Ont. Branches are maintained in Ontario and Western Canada.

Lambton Loan

Lambton Loan & Investment Co. net profit for 1947 was off at $78,237 against $89,631 in 1946. Mortgages and agreements for sale were up to $2,628,780 from $2,554,308 the year before. Real estate likewise increased to $14,952 from $5,797. Total assets were $5,620,774 at end of 1947.

A bonus dividend of 2% was paid in 1947, in addition to payments aggregating 6%. The company does business primarily in the cities of Sarnia and Chatham, and in counties of Lambton and Kent. Controlling interest is held in Lambton Trust Co.

La Co. Fonciere

Net profit for 1947 of La Compagnie Fonciere de Manitoba increased further to $16,806, as against $13,630 in 1946. Farm lands did not bring in as much as in 1946, as shares of crops were a little disappointing because of hail storms. A little relief was obtained in regard to city rents, and everything taken into consideration the company did a little better in 1947, it was stated.

Although redemption of debentures was not entirely completed during the year, it was decided to take some of the evident profit and wipe off the deficit, which amounted to $23,319 at Dec. 31, 1946. A dividend of 2% was paid on March 1, 1948, this being the best that could be done in view of large corporation tax due to the Dominion Government, it was stated.

Mortgages and agreements for sale increased to $162,961 from $148,409 in 1946. Apartment blocks, business premises and farm lands totaled $463,504 at end of 1947, reduced from $480,763. Head office is at Winnipeg.

Midland Loan

Midland Loan & Savings Co. was purchased on Jan. 2, 1948, by Canada Permanent Mortgage Corp. for $1,062,000, equal to $29.50 per share. Operations are now merged with those of Canada Permanent.

Monarch Mtge.

Monarch Mortgage & Investments 1947 net profit was $23,506, against $27,691 for year previous. Total assets amounted to $434,051, including mortgages receivable of $40,227, and depreciated properties of $227,578, after deducting mortgages payable of $461,461.

Company was organized in 1921 and business originally was largely purchase of second mortgages on improved city real estate. Ownership in and operation of apartment houses now constitute major part of the company's business, and second mortgages are a relatively minor part of the business.

Shareholders have approved a plan of reorganization of capital stock which will eliminate arrears of 124% on 8% cumulative preferred stock, $10 par. Under the plan, outstanding 37,230 preferred shares will be exchanged for new common on share-for-share basis, and 4,755 old common shares will be exchanged for new common on basis of one new share for five old; 5,245 common shares held by subsidiary will be cancelled.

Company's wholly owned subsidiary, Eastern Agency Ltd., reported net profit for 1947 of $20,857. Total assets at Dec. 31, 1947, were $308,586. The subsidiary carries on housebuilding operations in the lower-priced field.

Head office of Monarch Mortgage is at Toronto.

Northern Can.

Northern Canadian Mortgage Co. net profit for year ended Mar. 31, 1947, was $15,661, up from $12,824 the previous fiscal year.

Prior encumbrances on real estate, which consist of apartment blocks, were again materially reduced and at Mar. 31, 1947, totaled $177,283, against $223,111 a year previous.

Victory bonds of $25,000 were disposed of during the year, leaving $25,000 still held at close of fiscal year.

The wholly owned subsidiary, Northern Canadian Agencies Ltd., again had a satisfactory year. Earnings of this company amounted to $11,281, being mainly derived from fees collected from managing properties for others — properties in which the company has no financial interest.

During the year a profit of $1,656 from sale of stocks and bonds was carried forward to surplus account. Earned surplus now stands at $71,480. Dividends totalling 80 cents per share were paid from earnings of the 1946-47 fiscal year, compared with 50 cents paid the year before.

N. S. Savings

Nova Scotia Savings, Loan & Building Society 1947 net earnings amounted to $154,492. After providing for Dominion and provincial taxes of $49,000, net profit was $105,492, compared with $91,980 for 1946.

Assets attained a new peak of $6,208,784, being an increase of $415,090 over the previous year. Investment account was reduced by sale of $50,000 Dominion Govt. bonds, sold in order to take advantage of the premium and to provide funds to meet demand for mortgage loans. Volume of the latter continued heavy, but mortgage repayments were also high, notwithstanding, mortgages account increased by $466,379 and now stands at $5,640,197.

There was a substantial increase in debentures account to $3,520,030, and the Society had to decline many applications from investors. Savings deposits were down to $876,043 from $979,467, mainly because of withdrawals of institutional deposits and those who had no need of ready funds transferred their balances to debentures.

Financial standing of the Society was further strengthened by transfer of $50,000 from profit and loss account to rest fund, bringing that fund up to $500,000.

Ontario Loan

Ontario Loan & Debenture Co. 1947 net profit amounted to $241,477, after provision of $160,000 for Dominion and Provincial taxes (1946 net profit—$225,325 after $148,000 tax provision). The fact that the company has been able in the past two years to substantially increase good mortgage investments has brought about improved earnings, President Archibald McPherson stated in the annual report.

Liquid position has been well maintained, quick assets of Dominion Govt. bonds and cash exceeding total deposits. Deposits and debentures increased by $1,526,292. Mortgages increased by $1,974,179 to $15,107,685. Mortgage payments, both interest and principal, continue to be very well met.

In view of the growth in the company's business directors considered some moderate addition to capital stock was advisable. Accordingly an additional 5,000 shares, $50 par, were offered to shareholders for subscription pro rata at $90 per share, the premium of $40 per share being credited to Reserve fund.

Ontario Loan was incorporated in 1870 and has its head office in London, Ont. Most of its mortgage investments are on Ontario property.

Sask. Loan

Total assets of Saskatchewan Loan & Investment Co. at end of 1947 amounted to $478,724, as compared with $438,579 in previous year. Mortgages were shown in 1947 at $147,860, against $130,711 in 1946. Real estate and farm lands increased to $185,413 from $173,345. At the request of Dominion income tax dept., real estate, which was reduced to market value in 1941, was put back to cost price, resulting in a net increase as at Dec. 31, 1947, of $23,918. The company's loss on real estate sold was increased by $9,236 during 1947 as a result of this revaluation.

Net profit, after all charges, was higher at $16,288 in 1947, against the previous year's $10,946. Income tax returns for year 1942 to 1946, inclusive, are being reviewed by the income tax dept., and it appears that there will be an increase in their assessment over returns made by the company of between $15,000 and $20,000, the auditors reported.

The company's head office is located at Moose Jaw, Sask.

Societe de Prets

Total assets of La Societe de Prets et Placements de Quebec showed a moderate increase of $9,041 to $1,360,460 at end of 1947. Mortgages rose to $1,177,581 from $1,045,107. Realty for sale remained unchanged at $51,089. Net profit for 1947 amounted to $40,394, as compared with $38,607 in preceding year. Dividends totaling 6% were paid, against 5% in 1946.

The society invests chiefly in mortgages. Head office is in Quebec.

Societe Nat. de Fiducie

Societe Nationale de Fiducie net profit for 1947 was $52,520, against $48,689 for 1946. Total of estates, trusts and agencies under administration amounted to $22,987,590, up $1,491,216. Mortgages in force were substantially unchanged at $56,193. Realty for sale rose to $9,453 from $1,184.

Dividends of $10 per share were paid, the same as in 1946. General reserve was increased by $20,000 to $380,000 at the year end. Head office is in Montreal.

Toronto Mortgage

Toronto Mortgage Co. reported 1947 net profit of $100,370, after providing $50,000 for taxes, compared with $99,327, after $55,000

(Continued on page 23)

Sun Trust Limited

Executors • Trustees

BOARD OF DIRECTORS

Joseph Simard, D.Sc.C., O.B.E. President
Albert Hudson, D.Sc.C. Vice-President
Hon. J. A. Brillant, C.B.E., M.L.C. Vice-President
Hon. Charles Delagrave, N.P., M.L.C.
J.-Emile Fortier, M.D.
Hon. Wilfrid Gagnon, C.B.E.
Col. Hon. Raoul Grothé, M.L.C.
J.-Edouard Labelle, K.C., O.B.E.
Hon. Lucien Moraud, K.C., Senator
Eugene Poirer, N.P., LL.D.
Hon. Armand Daigle, Senator
Hon. Edouard Asselin, K.C., M.L.C.

MANAGEMENT

J. Hébert Chrétien General Manager
Jacques St. Aubin Office Manager
Jacques Geoffrion Secretary
Henri de Cazes Quebec Manager

10 St. James St., West MONTREAL
132 St. Peter St. QUEBEC

GUELPH AND ONTARIO

Investment and Savings Society

Incorporated A.D. 1876

DEPOSITS RECEIVED
DEBENTURES ISSUED

The Guelph Trust Company

under the same Management

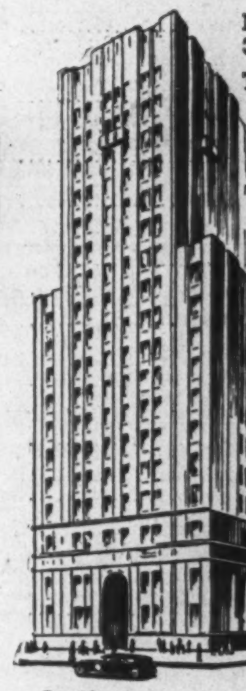
Acts as Executor, Administrator, Trustee, etc.

SAFETY DEPOSIT BOXES FOR RENT

J. R. HOWITT, K.C., *President*
H. L. BENALLICK, *Manager*

Head Office: GUELPH, ONTARIO

SOUND SERVICE through the years



Head Offices
320 Bay Street
Toronto

Our two associated companies provide Canadians with unsurpassed facilities for the safeguarding of savings, investment of funds and administration of personal or corporate affairs.

SAVING AND INVESTMENT SERVICE

Through 93 years of Canadian history, CANADA PERMANENT has protected the savings of the people and applied them constructively to the upbuilding of Canada with profit to the savers.

By sound management and wise policies, it has earned the confidence and good will of those entrusting their savings to its care.

President
E. D. GOODERHAM

Vice-Presidents
CHARLES S. ROBERTSON
F. S. CORRIGAN

CANADA PERMANENT MORTGAGE CORPORATION

We offer a complete, efficient and prompt service in any of the following capacities

TRANSFER AGENT REGISTRAR
DIVIDEND DISBURSING AGENT
TRUSTEE or DEPOSITORY for VOTING TRUST, POOLING or OTHER AGREEMENTS
TRUSTEE for BOND, DEBENTURE and NOTE ISSUES

THE CANADA PERMANENT TRUST COMPANY

BRANCHES IN: TORONTO, HAMILTON, WOODSTOCK, BRANTFORD and PORT HOPE, ONT.; WINNIPEG, MAN.; EDMONTON, ALTA.; REGINA, SASK.; VANCOUVER, B.C.; SAINT JOHN, N.B.; HALIFAX, N.S.; and MONTREAL, QUE.

THE WATERLOO TRUST AND SAVINGS COMPANY

CAPITAL AND RESERVES .... $ 2,125,000
ASSETS UNDER ADMINISTRATION . $37,000,000

DIRECTORS

FORD S. KUMPF, President
President, The Dominion Life Assurance Company
Director, The Waterloo Mutual Fire Insurance Company

LOUIS L. LANG, Vice-President
President, Lang Tanning Company, Limited
President, The Mutual Life Assurance Company of Canada
Director, Bank of Montreal

HENRY KNELL, Vice-President
Chairman, Economical Mutual Fire Insurance Company

GEORGE A. DOBBIE
President, Stauffer-Dobbie Company, Limited
Vice-President, The Dominion Life Assurance Company
Director, The Royal Bank of Canada

SENATOR W. D. EULER
President, Economical Mutual Fire Insurance Company
Director, The Dominion Life Assurance Company

WILLIAM HENDERSON, SR.
Director, The Waterloo Mutual Fire Insurance Company

ALLAN HOLMES
President, The Galt Daily Reporter
President, Iroquois Hotel Limited, Galt

P. R. HILBORN
President, The Preston Furniture Company, Limited
President, Canadian Office & School Furniture, Limited

W. L. HILLIARD, M.D.
Medical Director, Equitable Life Insurance Company of Canada

HENRY C. KRUG
President, Doon Twines, Limited
Vice-President Economical Mutual Fire Insurance Company

HUGH L. McCULLOCH
President, Babcock-Wilcox & Goldie-McCulloch, Limited
Director, Gore District Mutual Fire Insurance Company
Director, Imperial Bank of Canada

J. E. FROWDE SEAGRAM
Vice-President, The Dominion Life Assurance Company
President, Jos. E. Seagram & Sons, Limited

T. W. SEAGRAM
President, Canada Barrels and Kegs, Limited

W. H. SOMERVILLE, C.B.E.
Vice-President and Managing Director
The Mutual Life Assurance Company of Canada
Director, Economical Mutual Life Insurance Company

FRED H. SCHNEIDER
President, J. M. Schneider, Limited
Director, Equitable Life Insurance Company of Canada

P. V. WILSON, Managing Director

EQUIPPED TO ACT IN ALL TRUST CAPACITIES

Waterloo Kitchener Galt Preston

The Financial Post Statistical Record of Trust and Loan Companies

Unless otherwise stated year taken is the calendar year. Net earnings are after management and other expenses and include net miscellaneous income applicable to current year. Taxes are income taxes unless payments not segregated in company's report, and include refundable EPT (if any). Net profit is the balance of profit after deducting total taxes, i.e., the amount available for dividends and any special payments or write-offs. Earnings per share are calculated on net profit as shown, based on paid-up capital at the end of the fiscal year, and excluding refundable EPT (if any).

Trust Companies

Trust Companies	Year	—Guaranteed & Capital Assets— Gtd. Trust Account $	Capital Account $	Combined Total $	Guaranteed Liabilities $	Par Value $	Net Earnings $	Taxes $	Net Profit $	— Shareholders' Position — Earn. per Sh. $	Dividends Paid or Pay. $	Surplus Forward $	Estates, Trusts, etc. $	OFFICERS
ACADIA TRUST	*1947	1,576,777	1,259,896	2,836,673	1,576,777	100	......	......	41,878	20.94	19.00	66,127	8,144,159	A. R. Coffin,* chm.; H. F. Bethel,* pres. & mgr.; C. E. Stanfield,* vice-pres.; P. J. Wilcox, sec.; J. W. MacLeod, H. M. Chase, F. C. Manning, R. A. MacGregor, M. R. Chappel. *Member executive committee.
*Year ended Nov. 30.	*1946	1,770,614	1,216,009	2,986,623	1,770,614	...	......	......	41,098	20.55	19.00	62,249	7,863,484	
ADMINISTRATION & TRUST	1947	67,300	†1,565,744	†1,633,044	67,300	25	61,838	23,383	38,455	1.92	1.50	229,733	27,666,142	Hon. E. L. Patenaude, pres.; J. Théo Leclerc, vice-pres. & man. dir.; J. C. Brosseau, sec.; C. E. Campiche, compt.; Comte Cahen D'Anvers, Vicomte de Roumefort, Hon. L. A. David, J. C. H. Dussault, J. A. Déry, Hon. C. P. Beaubien, Rolland Préfontaine, Lavery Sirois, Hon. J. A. Brillant, Hon. Wilfrid Gagnon, Eugène Poirier, J. A. Towner.
†Includes $500,000 uncalled capital.	1946	168,132	†1,522,401	†1,690,533	168,132	...	67,158	16,834	50,324	2.52	1.50	221,278	28,799,695	
BRITISH CANADIAN TRUST	1947	582,403	349,431	931,834	582,403	100	26,477	8,124	16,093	8.64	5.00	5,655	2,234,778	R. R. Davidson, pres.; G. H. Roy, vice-pres.; H. D. Reod, mgr. & sec.; G. C. Paterson, George Lomas, J. H. Westbrook.
†Incl. reserve.	1946	595,361	357,945	953,306	595,361	...	20,269	†3,949	12,478	7.91	5.00	1,244	1,940,656	
BRITISH MORTGAGE & TRUST	1947	9,190,681	2,108,681	11,299,362	9,190,681	100	......	......	101,466	10.15	†9.00	89,838	765,085	Hon. Nelson Monteith, pres.; L. M. Johnston, vice-pres.; W. H. Gregory, man. dir.; W. P. Bradshaw, asst. man.; C. E. Moore, Dr. H. W. Baker, A. B. Manson, Dr. H. B. Kenner.
†Including special 70th anniversary dividend of $1 per sh.	1946	8,922,561	2,021,289	10,943,850	8,922,561	...	......	......	97,681	9.77	8.00	78,371	791,054	
BROCKVILLE TRUST & SAVINGS	1947	1,774,837	828,453	2,603,290	1,774,837	50	66,994	26,500	40,494	4.05	2.87½	17,100	2,218,360	J. G. Gardner, pres.; G. T. Fulford, vice-pres.; E. J. Smith, man. dir.; N. F. Robinson, treas.; A. E. Hetherington, trust officer; Hon. H. A. Stewart, A. G. Parish, F. I. Ritchie, J. M. Dobbie, E. C. Cossitt, W. B. Reynolds.
†Including $11,654 transferred from contingencies reserve.	1946	1,530,513	853,068	2,383,581	1,530,513	...	†69,951	23,479	†46,472	4.65	2.87½	16,992	2,120,936	
CANADA PERMANENT TRUST	1947	86,516	1,645,261	1,731,777	86,516	100	......	......	85,642	8.56	6.00	8,111	69,145,852	E. D. Gooderham, pres.; C. S. Robertson, F. S. Corrigan, vice-pres's.; T. D. Leonard, gen. mgr.; W. F. Watkins, sec.; W. G. W. Robinson, inspector of branches; R. L. Warren, L. M. McCarthy, Samuel Rogers, H. S. Gooderham, J. A. MacAulay, H. W. Manning, C. J. Burchell, G. H. Aikins.
	1946	224,919	1,620,241	1,845,160	224,919	...	......	......	80,602	8.06	6.00	82,469	68,600,817	
CANADA TRUST	†1947	13,242,207	2,051,321	15,293,528	13,242,207	100	......	......	105,105	10.51	6.00	59,781	92,594,713	Col. Ibbotson Leonard, chm.; Morley Aylsworth, pres. & gen. mgr.; J. W. Hobbs, Hon. Ray Lawson, Rt. Hon. Arthur Meighen, vice-pres's.; D. McEachern, asst. gen. mgr. & sec.; C. J. Clarke, asst. gen. mgr. & treas.; R. P. Baker, asst. gen. mgr. & invest. exec.; J. A. Taylor, trust exec.
†Includes assets of London & Western Trusts Co. Ltd., acquired Mar. 31, 1947.	1946	7,942,493	1,794,200	9,736,693	7,942,492	...	......	......	87,565	8.76	6.00	41,506	36,160,878	
CAPITAL TRUST	—Purchased by Guaranty Trust Co. of Canada, May 31, 1947.													
CENTRAL TRUST OF CANADA	1947	3,931,061	373,120	4,304,181	3,931,061	100	32,509	12,304	20,204	7.58	6.00	19,250	8,810,151	Hon. Fred Magee,* pres.; Reid McManus,* 1st vice-pres.; J. F. H. Teed, 2nd vice-pres.; A. D. Smith, 3rd vice-pres.; E. H. Ritcey, gen. mgr. and sec.; C. C. Avard*, W. V. Creaghan, E. A. Dixon, C. W. Fawcett, M. P. Fraser*, R. W. Ganong, C. C. Hayward, J. D. Hickman, J. LeR. Holman, A. H. Lamy, Leonard Lockhart*, R. A. Mcnaughton, W. G. Stewart*, J. D. Winslow, W. J. West. *Member exec. comm.
	1946	3,346,175	336,914	3,683,089	3,346,175	...	28,254	11,840	16,414	6.68	6.00	42,874	6,602,448	
CHARTERED TRUST & EXECUTOR	1947	10,920,428	1,970,661	12,891,089	10,920,428	100	184,178	55,000	101,937	10.19	5.00	97,029	31,761,082	R. R. Corson, pres.; J. J. Gibson, vice-pres.; H. G. Soward, sec.; R. J. Hallawell, treas.; Col. K. R. Marshall, vice-pres.; H. E. Langford, gen. mgr.; D. P. MacDougall, asst. gen. mgr.
	1946	9,437,340	1,988,525	11,425,865	9,437,340	...	215,363	76,000	101,925	10.19	5.00	95,092	26,924,435	
CROWN TRUST CO.†	1947	12,711,014	1,982,625	14,693,639	12,711,014	100	181,996	50,000	131,996	10.41	5.00	109,787	80,003,150	A. F. White, pres.; Col. The Hon. H. A. Bruce, J. A. McDougald, R. W. Steele, vice-pres's.; H. A. Howard, I. P. Rexford, vice-pres. and gen. mgrs.; R. S. Anderson, E. T. Godwin, asst. gen. mgrs.; G. St. J. Vale, compt.; C. D. Henderson, sec.
†Effective May 1, 1946, Trusts & Guarantee Co. merged with Crown Trust Co. (old company) under new name, Crown Trust & Guarantee Co., Crown Trust shareholders receiving $137.50 cash for each share held; combined statement shown for 1946 and 1947. Name changed again from Crown Trust & & Guarantee Co. to Crown Trust Co., Dec. 23, 1947.	1946	12,907,768	1,930,221	14,837,989	12,907,768	...	143,754	25,000	118,754	9.37	4.00	41,129	76,146,070	
EASTERN TRUST	1947	11,210,359	1,783,316	12,993,675	11,210,359	100	195,321	60,000	126,936	12.69	8.00	46,354	79,042,733	Hon. F. B. McCurdy, pres.; F. P. Starr, A. J. Campbell, A. S. Fraser, vice-pres's.; F. H. M. Jones, gen. mgr.
	1946	10,656,990	1,718,333	12,375,323	10,656,990	...	182,191	60,000	117,191	11.72	8.00	37,647	75,599,347	
FIDELITY TRUST	1947	....	357,082	357,082	....	25	7,838	......	▪34,865	d2.25	nil	▪57,553	....	C. M. Simpson, pres. & mgr.; K. A. Powell, vice-pres.; R. W. Rutherford, sec.-treas.; C. B. Philp, Keith Werner, T. R. Slagsvol, W. T. Powell.
▪Deficit. dDeficit per share.	1946	....	377,135	377,135	....	...	8,853	......	7,683	0.50	nil	▪22,688	....	
GENERAL TRUST & EXECUTOR	*1948	1,645,732	396,505	2,042,237	1,645,732	100	25,957	7,713	15,815	5.27	4.00	†17,805	2,152,813	E. L. MacDonald, pres.; W. D. Piercey, vice pres.; J. R. Machum, mgr. & sec.; J. T. Cumming, G. McL. Daley, Hon. Dr. F. R. Davis, Michael Dwyer, G. B. Isnor, F. H. Manning, Dr. C. S. Morton, R. J. Murphy, Lt.-Col. S. C. Oland, L. E. Shaw, H. N. Stanbury.
*Year ended last day of Feb. †Including $923 refund EPT.	*1947	1,292,558	394,690	1,687,248	1,292,558	...	39,692	9,727	26,862	8.95	4.00	†13,990	1,898,993	
GENERAL TRUST OF CANADA	1947	3,878,455	1,589,801	5,468,256	3,878,456	*100	130,295	39,914	80,380	*7.31	*5.00	92,973	122,607,268	Hon. Donat Raymond, pres.; Beaudry Leman, L. J. A. Amyot, Rene Morin, vice-pres's.; Honore Parent, gen. mgr.; Romeo Bertrand, sec.-treas.; Joseph Beaubien, L. E. Beaulieu, Geo. Belleau, Emile Corbeil, J. H. Cote, Aristide Cousineau, J. L. Demers, G. T. Donohue, Marcel Faribault, Oscar Hamel, Chas. Laurendeau, Hon. J. Nicol, A. H. Paradis, Hon. J. E. Perrault, L. G. Ryan.
*Pref. only; on common (1,000 sh., $5 par) none earned or paid.	1946	3,041,507	1,487,879	4,529,386	3,041,507	...	126,300	52,577	73,723	*6.70	*5.00	67,593	113,373,595	
GREY & BRUCE TRUST & SAVINGS	1947	10,040,314	‡847,544	10,887,858	10,040,314	50	80,709	10,730	67,422	6.19	3.50	*......	3,083,988	W. S. Middlebro', pres.; G. D. Fleming, 1st vice-pres.; O. E. Manning, 2nd vice-pres. & gen. mgr.; R. G. Thomas, sec.; K. D. Johnston, treas.; Dr. A. L. Danard, Dr. G. H. Holmes, G. D. McLauchlan, Dr. R. Howey, E. N. Cooper, J. G. Fraser, W. L. Brown, W. B. Lemon, T. A. Mackay.
‡Incl. deprec. res. office premises. *Surplus for year transferred to reserves.	1946	8,243,623	‡812,234	9,055,857	8,243,623	...	73,016	14,255	56,451	5.18	3.50	*......	2,577,454	
GUARANTY TRUST	‡1947	15,593,573	1,568,931	17,162,504	15,593,573	100	78,143	31,305	46,838	†6.25	5.00	25,820	34,706,927	E. B. Winter, chm.; A. J. Major, vice-chm.; J. W. Berry, pres. & gen. mgr.; E. M. Proctor, Robert Maisey, F. H. Leslie, H. H. Racine, vice-pres's.; E. T. Berry, J. J. Lyons, A. B. Ramsay, asst. gen. mgrs.; G. H. Edwards, compt.; J. McGrail, exec. asst.; J. A. Thompson, sec.
	1946	5,683,042	943,083	6,626,125	5,683,042	...	49,081	20,677	28,404	5.68	5.00	16,482	21,677,531	
‡Combined statement of company and Capital Trust Corp. purchased May 31, 1947. ▪Capital Trust Corp. †Based on average capital outstanding during year.	▪1946	8,755,164	1,358,597	10,113,761	8,755,164	100	105,062	35,000	59,082	6.67	4.00	11,651	9,771,000	
GUARDIAN TRUST	1947	1,844	484,176	486,020	1,844	100	28,304	8,229	12,769	6.54	3.00	10,585	10,055,219	Stanley Stanger, chm.; Robert Stanger, pres.; J. B. Frost, vice-pres.; P. A. Pinck, vice-pres. & treas.; R. C. Tees, vice-pres. & sec.; Jacques Beique, J. O. Harris, St. C. C. Holland, C. L. Abbott, Harold Braff, M. L. Loucks, J. M. Rudel.
†Not stated; gross revenue in 1947 was $164,658 compared with $151,501 in 1946.	1946	1,952	445,426	447,378	1,952	...	†	†	10,492	5.38	3.00	9,671	9,195,640	
GUELPH TRUST	1947	575,156	595,651	1,170,807	575,156	50	48,765	19,082	28,187	4.66	2.50	69,292	7,251,147	J. R. Howitt, pres.; J. M. Purcell, 1st vice-pres.; G. A. Forbes, 2nd vice-pres.; H. L. Benallick, mgr.; J. R. Phin, John Armstrong, Dr. H. O. Howitt, R. F. Auld, W. P. Gamble.
	1946	559,167	592,811	1,151,978	559,167	...	48,207	17,014	31,193	5.16	2.50	66,230	6,994,516	
INDUSTRIAL MORTGAGE & TRUST	1947	5,870,707	1,101,204	6,971,911	5,870,707	50	......	......	61,816	4.87	3.25	64,982	1,076,764	John Cowan, pres.; J. H. Anderson, 1st vice-pres.; W. J. Skinner, 2nd vice-pres.; W. R. Paul, man. dir.; B. Charlton, asst. mgr.; Homer Lockhart, Malcolm McGugan, W. D. MacKenzie, J. H. Moffatt, Dr. C. M. Carruthers, W. D. Ferguson.
	1946	5,540,019	1,077,867	6,617,886	5,540,019	...	......	......	62,566	4.93	3.25	59,441	940,820	
LAMBTON TRUST	1947	....	411,193	411,193	....	50	......	......	15,770	2.50	2.00	37,834	1,895,406	C. H. Belton, pres.; A. J. Johnston, vice-pres.; G. C. Norsworthy, mgr.; E. A. Pardee, sec.-treas.; W. A. Donohue, W. H. Kenney, R. M. E. McDiarmid, A. G. Minielly, Dr. J. F. Roberts, H. M. Taylor.
	1946	....	415,291	415,291	....	...	......	......	17,214	2.73	2.00	34,678	1,674,179	
LONDON & WESTERN TRUSTS	—Merged with the Canada Trust Co., Mar. 31, 1947, shareholders receiving $175 per share.													
MARITIME TRUST	1947	....	255,136	255,136	....	100	17,244	5,890	11,354	6.53	4.00	63,342	5,490,703	H. P. Robinson, chm.; C. F. Inches, pres.; F. C. Beatteay, P. G. Clark, vice-pres's.; H. C. Wilson, gen. mgr.
	1946	....	253,117	253,117	....	...	21,434	6,520	14,914	8.58	4.00	58,623	5,224,898	
MONTREAL TRUST	1947	29,483,767	8,524,367	38,008,134	29,483,767	25	710,045	206,736	503,309	6.29	4.00	773,521	842,580,095	W. H. Howard, pres.; S. G. Dobson, vice-pres.; O. B. Thornton, vice pres. & gen. mgr.; J. P. Angus, J. C. Kelly, H. J. Knubley, asst. gen. mgrs.; M. C. Holt, sec.
	1946	26,190,368	8,195,905	34,386,273	26,190,368	...	675,995	269,830	398,165	4.95	4.00	590,212	932,285,025	
NATIONAL TRUST	1947	27,222,400	6,445,301	33,667,701	27,222,400	10	595,325	215,595	379,730	1.27	0.97½	184,804	312,844,754	Hon. Leighton McCarthy, chm.; W. M. O'Connor, pres.; H. V. Laughton, vice-pres. & gen. mgr.; Rt. Hon. Sir Thomas White, G. A. Morrow, A. N. Mitchell, vice-pres's.; H. A. Clarke, Terence Sheard, R. W. Pearson, J. G. Hungerford, H. H. Wilson, asst. gen. mgrs.; W. G. Davidson, sec.; E. H. Heeney, treas.
†New stock after 10 for 1 split approved July, 1946. ‡Paid 45c. per new sh. and $4.50 per old sh.	1946	25,842,425	5,863,363	31,705,788	25,842,425	...	571,567	235,226	336,341	†1.12	‡	597,574	305,380,485	
NORTHERN TRUSTS	1947	128,030	1,736,059	1,860,089	128,030	20	97,948	33,000	64,949	1.30	0.80	207,388	15,875,503	C. S. Riley, pres.; W. A. Murphy, R. J. Gourley, vice-pres's.; J. H. Riley, gen. mgr.; C. R. Vincent, treas.; Wm. Milton, sec.; N. J. Breen, J. A. Crowe, A. L. Denison, W. J. Dowler, H. B. Lyall, Geo. McLean, H. J. Riley, E. J. Tarr, H. C. Ashdown, H. J. Bird, G. W. Northwood, C. G. Smith.
	1946	162,488	1,684,314	1,846,802	162,488	...	116,654	48,000	68,654	1.37	0.80	183,803	14,990,738	
NOVA SCOTIA TRUST	*1948	2,654,231	918,002	3,572,233	2,654,231	100	75,118	22,000	50,329	10.07	7.00	27,368	15,937,583	M. S. Clarke, pres.; B. P. Saunders, R. W. Elliott, vice-pres's.; G. R. Harrison, gen. mgr.; E. Fraser, sec.; H. S. Cameron, Hon. W. H. Dennis, L. A. Forsyth, G. E. Graham, A. N. Jones, Dr. G. H. Murphy, A. A. McIntyre, H. P. Mackeen, A. T. O'Leary, J. E. Rutledge, C. L. Sanderson, J. A. Walker, M. J. Wardrope.
*Year ended last day of Feb.	*1947	2,549,928	900,678	3,450,606	2,549,928	...	76,934	24,000	50,912	10.18	7.00	12,039	15,301,379	
OTTAWA VALLEY TRUST	1947	....	388,112	388,112	....	100	21,392	......	▪16,873	d4.02	nil	▪33,678	2,272,118	G. G. Gale, pres.; J. G. Fleck, C. M. Edwards, vice-pres.; J. S. Shakespeare, gen. mgr.; W. R. Beatty, E. R. Bremner, D. P. Cruikshank, G. M. Edwards, D. H. Findlay, D. A. Gillies, John Gleeson, D. K. MacTavish, G. W. Mitchell, G. S. Murray, B. B. Osler, Hon. Cairine R. Wilson, N. F. Wilson, R. W. Southam.
*For period Sept. 26 to Dec. 31, 1946. ▪Deficit.	1946	....	352,641	352,641	....	...	*1,743	......	*▪7,474	*d2.43	....	▪16,804	1,863,398	
PREMIER TRUST	1947	3,502,694	1,432,510	4,935,204	3,502,694	100	......	......	60,655	5.13	2.00	50,261	7,015,484	T. B. Holmes, pres. & gen. mgr.; John Dearness, vice-pres.; N. S. Watt, sec.; A. H. Seguin, D. C. MacLachlan, J. G. Holmes.
	1946	3,712,448	1,457,067	5,169,515	3,712,448	...	......	......	71,254	5.78	2.00	40,265	7,004,227	
PRUDENTIAL TRUST	1947	....	436,695	436,695	....	10	31,934	3,666	25,630	1.46	0.50	153,259	5,857,018	H. N. Chauvin, pres. & chmn.; L. R. Champion, vice-pres.; F. S. Taylor, man. dir.; Lt.-Col. D. F. Rogers, gen. mgr.; Alfred Hall, sec.; G. M. Rae, treas.; George Ganetakos, F. M. Wells, E. V. Barthe, D. Morrison, C. M. Martin, J. J. Coghlan.
†Not shown in 1946.	1946	....	414,577	414,577	....	...	29,616	†	27,420	1.56	0.50	226,925	5,301,487	
ROYAL TRUST	1947	*11,546,816	14,924,058	26,470,874	*11,546,816	20	728,052	275,677	452,375	4.52	3.80	1,210,383	918,543,737	H. R. Drummond, hon. pres.; R. P. Jellett, pres.; J. A. Eccles, B. C. Gardner, vice-pres's.; Ross Clarkson, vice-pres. and gen. mgr.; J. F. Wilkes, J. Pembroke, asst. gen. mgrs.; W. E. Bickley, asst. gen. mgr. and sec.
*Incl. securities against conting. liabilities.	1946	*7,239,416	14,958,764	22,198,179	*7,239,415	...	733,490	293,928	439,561	4.40	3.80	1,163,008	878,821,191	
SHERBROOKE TRUST	*1947	....	3,467,609	3,467,609	....	100	44,910	15,500	29,410	9.80	6.00	34,399	7,818,241	Chenier Picard, pres.; D. J. Salls, vice-pres.; P. M. Robins, sec.-treas.; C. L. Campbell, G. W. Murphy, Hon. J. Nicol, A. A. Munster.
*Year ended Sept. 30.	*1946	....	3,360,313	3,360,313	....	...	46,747	19,500	27,057	9.02	6.00	22,988	6,828,170	
SOCIETE NATIONALE DE FIDUCIE	1947	629,621	898,812	1,528,433	629,621	†10	......	......	52,520	‡21.00	‡10.00	57,929	22,987,590	Victor Morin, pres.; J. V. Desaulniers, 1st vice-pres. & gen. mgr.; V. E. Beaupré, 2nd vice-pres.; Henri Ouimet, asst. gen. mgr.; Charles Laurendeau, Dr. Hector Cypihot, Anatole Lachapelle, J. E. Laforce, L. A. Fréchette, Arthur Tremblay.
†Stock split 10 for 1 following the 1948 annual meeting. ‡On old $100 par stock.	1946	608,441	809,603	1,418,044	608,441	100	......	......	48,689	19.48	10.00	50,409	21,496,378	
STERLING TRUSTS	1947	3,890,964	1,118,187	5,009,151	3,890,964	100	103,807	23,862	77,710	9.41	5.00	51,064	7,071,168	Charles Bauckham, pres. & gen. mgr.; R. T. Birks, vice-pres.; J. R. Lovatt, asst. mgr., J. M. Smillie, treas.; E. R. Meredith, sec.; John Hallam, Lorne Johnson, Dr. S. J. Boyd, J. R. Boys, Robt. Bigelow, W. A. Dilworth, H. R. Frost, H. T. Burgess.
	1946	3,539,714	1,083,869	4,623,583	3,539,714	...	103,119	25,949	75,271	9.13	4.50	14,571	6,631,690	
SUN TRUST	1947	2,818,993	531,856	3,350,849	2,818,993	100	49,427	14,945	34,482	13.79	5.00	83,885	78,261,672	Joseph Simard, pres.; Albert Hudon, Hon. J. A. Brillant, vice-pres's.; J. H. Chrétien, gen. mgr.; Jacques Geoffrion, sec.; Hon. Edouard Asselin, Hon. Armand Daigle, Hon. Charles Delagrave, Dr. J. E. Fortier, Hon. Wilfrid Gagnon, Col. Hon. Raoul Grothé, J. E. Labelle, Hon. Lucien Moraud, Eugene Poirier.
	1946	2,667,495	494,871	3,162,366	2,667,495	...	46,812	16,906	29,906	11.96	5.00	61,903	64,601,903	
TORONTO GENERAL TRUSTS	1947	22,724,229	6,053,364	28,777,593	22,724,229	100	576,822	158,000	†343,417	11.45	7.00	138,996	271,347,013	Charles McCrea, pres.; Aubrey Davis, vice-pres.; W. G. Watson, vice-pres. & gen. mgr.; H. M. Forbes, G. C. Lindsay, A. R. Courtice, asst. gen. mgrs.; D. K. Tow, treas.; H. B. Morphy, sec.; A. J. Frost, compt
†After appropriation for premises.	1946	21,611,720	5,942,165	27,553,885	21,611,720	...	555,513	135,000	†335,678	11.19	7.00	276,677	268,702,327	
TRUSTS & GUARANTEE	—See Crown Trust and Guarantee Trust.													
VICTORIA TRUST & SAVINGS	1947	12,021,780	1,881,489	13,903,269	12,021,780	100	128,295	47,500	80,795	7.28	6.00	54,335	2,482,223	T. H. Stinson, pres.; H. J. McLaughlin, vice-pres.; G. A. Weeks, gen. mgr.; Newton Smale, asst. mgr.; Wesley Walden, C. E. Weeks, F. G. Perrin, S. A. Flavelle, G. S. Matthews, W. W. McLaughlin.
	1946	10,350,261	1,643,744	11,994,005	10,350,261	...	99,363	33,000	66,363	7.17	5.25	49,553	2,333,565	
WATERLOO TRUST & SAVINGS	1947	23,040,782	2,220,325	25,261,107	23,040,782	100	168,306	48,000	120,306	8.02	5.00	107,041	11,832,763	F. S. Kumpf, pres.; L. L. Lang, Henry Knell, vice-pres's.; P. V. Wilson, man. dir.; G. A. Dobbie, H. C. Krug, Hon. W. D. Euler, P. R. Hilborn, Dr. W. L. Hilliard, Wm. Henderson, Sr., Allan Holmes, H. L. McCulloch, J. E. F. Seagram, T. W. Seagram, F. H. Schneider, W. H. Somerville.
	1946	20,777,113	2,211,417	22,988,530	20,777,113	...	157,513	45,000	112,513	7.50	5.00	101,734	11,401,479	
WESTERN TRUST	1947	56,226	1,600,023	1,656,249	56,226	100	97,327	17,000	80,327	7.99	6.00	‡204,013	4,243,630	Robert Johnston, pres.; A. B. Adamson, man. dir.; A. I. Grierson, sec.; G. R. Whitmore, H. H. Smith, J. H. Lane, H. Adamson.
‡Incl. refund. EPT of $5,060.	1946	55,853	1,558,062	1,613,915	55 853	...	104,607	22,000	82,607	8.22	6.00	‡158,986	4,059,535	

Mortgage Companies

Mortgage Companies	Year	Total Assets $	Mortgages Interest & Sales Agree. $	▴Liability to Public $	Par Value $	Net Earnings $	Taxes $	— Shareholders' Position — Net Profit $	Earn. per Sh. $	Dividends per Sh. $	Surplus Forward $	OFFICERS
CANADA PERMANENT MORTGAGE	1947	77,779,688	41,826,003	65,194,467	100	....	......	766,331	10.95	8.00	585,221	E. D. Gooderham, pres.; C. S. Robertson, vice-pres. and gen. mgr.; F. S. Corrigan, vice-pres.; W. F. Watkins, asst. gen. mgr.; J. W. Rose, Jr., sec.; W. G. W. Robinson, insp. of branches; Samuel Rogers, R. L. Warren, L. M. McCarthy, T. D. Leonard, H. S. Gooderham, G. H. Aikins, J. A. MacAulay.
	1946	73,429,058	39,399,203	60,900,168	...	....	......	735,344	10.50	8.00	528.890	
CENTRAL CANADA LOAN & SAVINGS	1947	5,350,763	33,904	68,000	100	....	......	225,932	9.04	8.00	282,763	G. A. Morrow, pres. and man. dir.; Hon. Leighton McCarthy, Graham Morrow, vice-pres's.; W. J. Hastie, vice-pres. and sec.; E. C. Gill, S. H. Logan, J. L. C. McCarthy, W. M. O'Connor, A. H. Cox, R. A. Laidlaw, F. P. Wood, H. D. Burns.
	1946	4,931,831	37,139	75,000	...	....	......	217,564	8.70	8.00	256,831	
CREDIT-FONCIER FRANCO-CANADIEN	1946	51,009,704	29,809,680	30,044,184	500 frs.	♦1,461,631	300,000	462,695	†4.50	‡450 frs.	*813,083	Comte Cahen D'Anvers, pres.; Hon. C. P. Beaubien, vice-pres.; Vicomte R. de Roumefort, gen. mgr.; Marcel Pasquin, Armand Chevallier, asst. gen. mgrs.; J. de Lavergne, sec.; André Debray, E. Fouret, Hon. L. M. Gouin, J. T. Leclerc, O. Moreau-Nérêt, Hon. E. L. Patenaude, Maurice Stern, Pierre Vinson.
♦Available for debenture int. and income taxes. †After 5% statutory res. ‡French francs: exchange per 100 frs.: $0.85 in 1946; $0.94 in 1945 (rate $2.24½ to Dec. 25, $0.94 thereafter). *Before current year's dividends and statutory reserve.	1945	45,270,044	25,761,982	25,550,401	...	♦1,219,062	160,000	435,678	†4.14	‡385 frs.	*776,962	
DEBENTURE CO. OF CANADA	*1947	707,408	94,828	63,638	85	67,083	405	66,678	11.56	5.00	124,531	A. B. McGill, pres.; A. J. Orchard, vice-pres.; Ruth S. McGill, man. dir.; J. C. Poyser, T. W. Poyser.
*Year ended Nov. 30.	*1946	678,885	100,246	53,889	...	128,568	17,357	111,211	19.36	5.00	106,632	
EASTERN CANADA SAVINGS & LOAN	1947	10,069,365	9,139,781	8,468,552	100	207,665	77,949	96,358	†11.86	‡7.00	50,813	Hon. W. H. Covert, pres.; D. R. Turnbull, vice-pres.; G. W. Hazen, mgr.; F. A. Milne, sec. and asst. mgr.; C. A. B. Bullock, J. W. Godfrey, L. V. Smith.
†Based on average capital outstanding during year. ‡Including special dividend of $1 pd. Feb. 2, 1948.	1946	8,199,658	6,995,753	6,969,887	...	133,841	82,280	63,027	8.40	6.00	29,770	
EMPIRE LOAN	1947	521,415	441,290	9,273	100	21,676	2,256	4,455	0.70	nil	▪128,207	C. M. Simpson, pres. & mgr.; K. A. Powell, vice-pres.; R. W. Rutherford, sec.-treas.; T. R. Slagsvol, C. B. Philp, R. M. Rutherford, W. T. Powell.
▪Deficit.	1946	540,604	431,534	33,404	...	20,807	306	547	0.09	nil	▪132,662	
GUELPH & ONT. INVEST. & SAVINGS	1947	6,475,396	3,610,300	4,954,454	50	121,740	28,227	91,397	4.73	2.50	36,306	J. R. Howitt, pres.; J. R. Phin, 1st vice-pres.; J. M. Purcell, 2nd vice-pres.; H. L. Benallick, mgr.; John Armstrong, G. A. Forbes, Dr. H. O. Howitt, R. F. Auld, W. P. Gamble.
	1946	6,467,568	3,542,236	4,949,764	...	112,102	24,756	85,230	4.42	2.50	33,169	
HURON & ERIE MORTGAGE	1947	50,511,425	20,246,877	43,341,399	100	395,588	†	362,223	7.24	4.50	70,026	Col. Ibbotson Leonard, chm.; Morley Aylsworth, pres. & gen. mgr.; R. H. Cronyn, vice-pres.; D. McEachern, asst. gen. mgr. & sec.; C. J. Clarke, asst. gen. mgr. & treas.; R. P. Baker, asst. gen. mgr. & invest. exec.; F. P. Dawson, J. E. McConnell, J. W. Hobbs, J. J. McHale, E. A. Wilson.
†Deducted before net earnings; amt. not shown.	1946	48,806,093	19,573,660	41,749,530	...	353,392	†	320,583	6.41	4.00	56,563	
LA CIE. FONCIERE DE MAN.	1947	653,768	162,961	39,368	75	27,054	9,050	16,806	2.10	nil	14,400	M. J. A. M. de la Giclais, pres.; B. E. Chaffey, vice-pres.; Hon. P. A. Talbot, sec.; D. A. Champion, Henri Motte, Thos. Turnbull, J. E. Guertin, E. Chevrier.
▪Deficit.	1946	665,526	148,409	65,526	...	22,817	5,812	13,630	1.70	nil	▪23,319	
LA SOCIETE DE PRETS ET PLACEMENT	1947	1,360,460	1,176,603	143,815	100	64,117	23,723	40,394	5.05	6.00	31,194	J. A. Grenier, pres.; Yves Montreuil, vice-pres.; L. P. Dionne, gen. mgr. & sec.-treas.; Dr. J. E. Fortier, Eugene Barry.
	1946	1,351,419	1,042,588	144,795	...	64,344	25,737	38,607	4.82	5.00	21,173	
LAMBTON LOAN & INVESTMENT	1947	5,620,774	2,628,780	3,937,323	50	107,782	29,550	78,232	4.95	4.00	103,951	C. H. Belton, pres.; A. J. Johnston, vice-pres.; G. C. Norsworthy, mgr.; S. A. Hyde, sec.-treas.; William Guthrie, Erle Johnston, W. H. Kenny, Eugene King, J. A. Smith, H. M. Taylor, Harry Wilson.
	1946	5,637,870	2,554,308	3,969,471	...	122,631	33,000	89,631	5.67	3.50	88,899	
MIDLAND LOAN & SAVINGS	Purchased Jan. 2, 1948 by Canada Permanent Mortgage Corp. for $1,062,000 or $29.50 per sh.											
	1946	3,737,225	2,489,950	2,757,513	10	98,195	32,070	66,125	1.84	1.00	139,712	
MONTREAL LOAN & MORTGAGE	Purchased Sept., 1946, by Canada Permanent Mortgage Corp. for $1,404,000, or $58.50 per share.											
NORTHERN CANADIAN MORTGAGE	*1947	469,437	50,883	48,535	♦25	45,412	8,225	15,661	†1.28	†*0.80	71,750	G. W. Northwood, pres.; T. L. Hartley, vice-pres.; J. H. Peace, sec.; A. L. Denison, E. G. Cass.
*Year ended Mar. 31. ♦Pref.; common n.p.v. †Pref. only. *40c pd. June 2 and 40c July 1, 1947. ‡Pd. June 1, 1947.	*1946	434,036	24,947	21,323	...	42,256	7,598	12,824	†1.05	†‡0.50	63,772	
N. S. SAVINGS, LOAN & BLDG. SOC.	1947	6,208,784	5,642,004	4,437,175	240	148,492	43,000	105,492	†	†	*21,325	A. B. Wiswell, pres.; Walter Mitchell, vice-pres.; F. A. Lane, sec.-treas. & mgr.; W. deW. Barss, Donald McInnes, E. McN. Grant.
†Capital stock comprises 6% and 5% cum., red. shs.: total of $61,032 credited to shareholders' account in 1947, $58,875 in 1946. *Including $21,999 refundable EPT.	1946	5,793,694	5,176,549	4,124,062	...	144,980	53,000	91,980	†	†	*26,865	
ONTARIO LOAN & DEBENTURE	1947	23,072,865	15,160,157	18,539,958	50	401,477	160,000	241,477	6.04	5.00	82,907	Archibald McPherson, pres.; T. H. Main, vice-pres. and mgr.; J. P. Dewan, asst. mgr.; F. E. A. McKellar, accountant; J. McC. Gunn, O. R. Moore, J. B. Orr, A. H. Jeffery.
	1946	21,528,142	13,216,065	17,011,712	...	373,325	148,000	225,325	5.63	5.00	116,430	
SASKATCHEWAN LOAN & INVEST.	1947	478,724	147,860	9,242	50	25,059	8,771	16,288	2.31	‡	67,770	N. J. Bellamy, pres.; William Hillson, vice-pres.; W. E. Staples, mgr.; C. D. Grayson, sec.; J. Poyser, A. T. Wilson, G. K. Grayson, A. R. McIntyre.
‡Not stated.	1946	438,579	130,711	9,922	...	18,243	7,297	10,946	1.56	1.50	26,945	
TORONTO MORTGAGE	1947	4,444,936	3,228,973	2,123,153	50	150,370	50,000	100,370	5.09	5.00	135,283	G. B. Strathy, pres.; G. D. Kirkpatrick, vice-pres.; Philip Simmonds, mgr.; Hon. G. S. Henry, A. F. White, E. V. Chambers, G. Y. Ormsby, W. B. Cowan.
	1946	4,622,500	3,297,302	2,337,435	...	154,327	55,000	99,327	5.03	5.00	133,563	
WESTERN HOMES	1947	1,097,482	1,013,806	245,148	35	80,287	23,060	57,227	†2.97	2.25	178,775	M. W. Argue, pres.; D. J. Dyson, vice-pres.; R. C. Duncan, sec.; W. A. Bremner, B. C. Fisher, C. E. Stockdill, Harvey Argue.
†Based on new $35 par shares paid-up at Dec. 31, 1947. ‡On old $100 par shares.	1946	1,661,039	1,311,514	53,478	100	90,976	28,478	62,498	†3.25	‡2%	164,830	
YARMOUTH BUILDING & LOAN SOC.	1947	298,737	297,861	44,562	100	15,656	5,480	10,176	5.93	5.00	6,503	G. R. Harrison, pres.; R. W. Elliott, vice-pres.; J. W. Grant, sec.-treas.; M. S. Clarke, A. N. Jones, B. S. Saunders. Trustees: A. W. Hilton, A. B. Rogers, A. L. Nickerson.
	1946	293,940	272,957	44,845	...	18,419	7,500	10,919	6.37	5.00	1,715	

▴Including current liabilities.

Trust Companies Reviewed

(Continued from page 18)

showing a net increase of $859,-579. These totals do not reflect numerous transactions which originated and were discharged during the year. Total of estates, trusts and agencies under company administration now stands at $10,055,219.

The new Foreign Relations department was opened to attend to correspondence arising in foreign countries and matters involving immigration.

The company's investments, resources and surplus are all in excellent condition, quickly convertible into cash and fully sufficient for the purposes of the company, President Robert Stanger stated in the annual report. All have a realizable value which is substantially in excess of that shown in the balance sheet.

Guardian Trust was incorporated in 1930 to acquire an established trust business in operation since 1897. Head office is in Montreal.

Guelph Trust

Guelph Trust Co. net profit for 1947 amounted to $28,187, after providing for taxes of $19,082, and transfer of $10,000 to investment reserve. Net profit for 1946 was $31,193.

Estates, trusts and agency account totaled $7,251,147 at end of 1947, up $256,631 during year. Guaranteed trust account amounted to $575,156, including $241,756 mortgages ($239,144 in 1946).

The company is a subsidiary of Guelph and Ontario Investment & Savings Society. Mortgage investments are almost entirely within Ontario.

Fidelity Trust

Fidelity Trust Co. 1947 operations resulted in a net loss of $34,865, as against a net profit of $7,683 in 1946. Chief contributing factor to 1947 loss was a loss on properties sold during the year of $42,117.

Mortgages and agreements for sale were up to $171,411, from $123,046 in 1946. Loans and advances, secured by liens, mortgages, etc., totaled $121,322 at end of 1947. Cash position improved by $4,589; investments at $49,253 remained unchanged; promissory notes receivable increased to $7,715 from $4,683.

On the liability side, bank loans were higher at $21,000, as against $4,000 the year before. Head office is in Winnipeg.

Industrial M & T

Industrial Mortgage & Trust Co. net profit was $61,816 ($62,-566 in previous year). An amount of $15,000 was transferred to reserve fund, bringing that fund to $365,000.

A steady increase was shown in deposits and guaranteed investment certificates. Investments in liquid securities are at a high level, and are carried on the company's books at less than market value. Balance at credit of profit and loss account at Dec. 31, 1947, was $64,982.

Estates account rose to $1,076,-764, up from $940,820. Mortgages and sales agreements totaled $2,-$466,796, up $133,298. Head office is at Sarnia, Ont., and operations are carried on chiefly in the counties of Lambton, Middlesex, Huron and Perth.

Lambton Trust

Lambton Trust Co. 1947 net profit was $22,570, up $5,356 from the year before. Estate department increased by $221,227 to $1,895,406. Mortgage and sales agreements were slightly higher at $151,343.

General reserve remained unchanged at $50,000, but investment reserve at $10,000 was up $4,000. Dividends of $2 per share were again paid. The company has its head office in Sarnia, Ont., and operates as a subsidiary of Lambton Loan & Investment Co.

Maritime Trust

Maritime Trust Co. operations in 1947 continued to be satisfactory from an earnings standpoint, and profits, without taking into consideration those experienced in 1946 from the sale of securities, showed a fair increase. Due to increased taxes and expenses, net profit of $11,354 was down $3,860 from 1946.

Estates, trusts and agencies account totaled $5,490,703, up from $5,224,898. Bond trusteeships rose to $8,569,200 from $7,283,200. The company continues to adhere to the principle of investing only in Dominion, Provincial and high-grade Municipal bonds. Investments at Dec. 31, 1947, were $229,-677, with a market value of $240,030.

Head office is in Saint John, with branches at Sackville, N.B., and Charlottetown, P.E.I. The company does not accept deposits from the public, nor does it issue guarantee trust certificates.

Montreal Trust

Montreal Trust Co. 1947 net profit was up 27% to $503,309, as compared with $396,165 the previous year. The company participated with satisfactory financial results in accelerated business activity that prevailed during the year.

Estates, trusts and agencies declined to $842,580,095. This resulted from changes, now being initiated, in company's method of determining assets to be included in this valuation and from substantial withdrawals of cash and collateral lodged with the company for special purposes, President W. H. Howard stated. No assets held by the company as trustee for security issues are included in this item. At the end of 1947, principal amount of bonds, debentures and notes outstanding, in respect of which company acts as trustee, aggregated more than $900 millions.

Total of trust funds for investment reached $29,843,767 at 1947 year-end, up from $26,190,368 a year earlier. Mortgages in force rose to $497,663 from $447,983 in 1946.

During 1947 it became unnecessary to maintain certain reserves totaling approximately $500,000, which had been set up in past years in respect of particular situations. The amount of these reserves was added to reserve for contingencies, which now stands at $1 million.

The company, one of the largest trust organizations in Canada, has its head office in Montreal, and maintains branch offices in most principal Canadian cities.

National Trust

Total assets of $346,512,455 under administration of National Trust Co. at end of 1947 represented an increase of $9,426,182 over 1946. Amount of assets held for estates, trusts and agencies at year-end was $312,844,754, up $7,464,269. Mortgages and sales agreements were $3,682,601 ($4,372,567 in 1946). Realty held for sale was reduced to $7,685 ($11,490).

Savings deposits increased by $1,551,528 to $27,042,146. Ratio of liquidity to trust deposits stood at 107.6% at year end. Over $24 millions of investments, earmarked to support guarantee of the company in connection with deposits, consists of bonds of/or guaranteed by Dominion of Canada.

Net profit of $379,730 was up $43,389. Reserve fund was increased to $3 millions through transfer of $500,000 from surplus and a like amount from contingent reserve. Reserve now stands at amount at which it was prior to transfer of $1,250,000 to contingent reserve in 1937. Dividends were increased from 9% to 10% during 1947, an increase which was stated to be amply justified on actual and prospective earnings of company.

Corporate trust department experienced a year of great activity. Trusteeship of foreign issues occasioned arduous duties and heavy responsibilities. During the year, Toronto and Montreal offices handled funds totaling over $36 millions in connection with sinking fund operations, redemptions, maturities and construction issues. Approximately $29 millions of new bond trusteeships were assumed under issues certified during 1947, not including refunding issues.

Northern Trusts

Northern Trusts Co. net profit for 1947 was $64,948, slightly under the 1946 profit of $68,654. Estates and trust account increased by $884,765 to $15,875,503. Mortgages and sales agreements were down to $360,739 from $445,143. Real estate for sale amounted to $8,400, down from $11,006. General reserve was $400,000 at Dec. 31, 1947.

Market value of bonds, debentures and stocks exceeds values shown in the balance sheet by $62,128, and is carried at $1,280,-956. An annual dividend of 80c per share was paid Feb. 2, 1948. Future dividends are to be distributed half-yearly, Feb. and Aug. 1. Head office is in Winnipeg; branches at Regina and Calgary.

N. S. Trust Co.

Nova Scotia Trust Co. had a net profit of $50,329 for 1947, practically unchanged from that of the previous year. Affairs of the company showed steady expansion, with total assets increasing by $757,831 to $19,509,816. The usual 7% dividend was paid.

Estates account amounted to $15,937,583, up $636,204. Guaranteed funds advanced to $2,654,232 from $2,549,928. Investments in Government, Municipal and Corporation securities jumped to $599,783, up from $361,828 in 1946.

Branch offices were opened in western Nova Scotia at Kentville and Yarmouth. Head office is in Halifax, and the company's business is confined to the one province.

Ottawa Val. Trust

Ottawa Valley Trust Co. completed its first full fiscal year of operations on Dec. 31, 1947. Income for the year of $21,392 was less than expenditure by $16,873. Deficit forward now amounts to $33,678.

Value of estates, trusts and agencies under administration increased by $408,721 to $2,272,118. In addition, the company was appointed trustee for the administration of pension plan funds which are not reflected in the above amount. Investments rose to $349,010, from $84,906 in 1946.

Further shares of the company's capital stock were subscribed for during the year to bring subscribed capital at the end of 1947, to $500,000, of which $339,470 has been paid up. Authorized capital is $1 million.

Registration under the Trust Companies Act of the province of Quebec was completed on Dec. 31, 1947, and the company is now qualified to accept appointments and conduct a trust business in that province. Head office is in Ottawa.

Premier Trust

Premier Trust Co. net profit at $60,655 in 1947, was off from $71,254 the year before. Gross revenue was $284,873 ($293,176 in 1946). Dividends of 2% per annum, totaling $23,659, were disbursed; $11,000 was written off assets, $10,000 was transferred to investment reserve, and adjustment of $6,000 made in income tax reserve. Balance carried forward in profit and loss account was $50,261 ($40,265 in 1946). Estates account amounted to $7,015,484 at close of 1947, up a little from $7,004,227 a year earlier. Guaranteed trust account totaled $3,502,694 ($3,712,448 at 1946 year end).

Head office is located in Toronto, and branches are maintained in St. Catharines and London, Ont.

Prudential Trust

Prudential Trust Co. results for 1947 may be considered fairly satisfactory, in view of market conditions, President Henry Chauvin states. Net profit was slightly higher at $29,295, against $27,420 in 1946.

Estates, trusts and agencies under administration amounted to $5,857,017, an increase of $555,529. A reserve fund of $100,000 was set aside out of surplus during 1947.

A new head office building has been purchased to provide space urgently required for the company's expanding activities. Head office is in Montreal, with branches at Toronto, Calgary, Vancouver and Regina.

Royal Trust

Gross earnings of Royal Trust Co. amounted to record sum of $3,737,000 in 1947, an increase of $285,000 over 1946, and expenses, before taxes, exceeded for the first time the $3 millions mark at $3,009,000, up $291,000 from previous year. Increase in expenses therefore exceeded by $6,000 improvement in earnings. Net profit of $452,375 showed a betterment of $12,814, however, due to a decrease of $18,252 in taxes.

Assets under adminstration, including company's own and guaranteed accounts, amount in all to $945 millions, up $44 millions over 1946.

Principal business, that of administering estates and trusts, again showed marked expansion. Real estate market was firm throughout with shortages in most classes of accommodation and high building costs. The company's money volume of sales and number of properties sold were again substantial. Volume of business handled by bond trusteeship and stock transfer departments continued at a high level, and a number of new appointments were received.

After a special contribution of $25,000 to staff pension fund, a reserve of $60,000 for payment of a 3% bonus to shareholders and $320,000 for regular dividends, there remained a surplus of $47,-375 to be carried forward.

The company, one of the largest in the Dominion, has its head office in Montreal with branches in most of the larger Canadian cities.

Sherbrooke Trust

Sherbrooke Trust net profit for year ended Sept. 30, 1947, after depreciation of $5,420 and $5,500 taxes, was $29,410, against $27,057 in previous year. Arrears of interest on mortgages are the lowest in many years and it was found unnecessary to set aside further reserves against mortgage accounts, President Chenier Picard stated.

Deposits reached an all-time high at $2,422,635. Demand for mortgage loans improved, especially in the last few months of the fiscal year. Mortgages increased to $1,270,877, up from $1,059,852. Estates, trusts and agencies under administration advanced by $990,-071 to $7,818,241. Investments in Government and Municipal bonds amounted to $1,704,974.

Sherbrooke Trust Co., Sherbrooke, Quebec, serves the Eastern Townships area.

Sterlings Trusts

Sterling Trusts Corp net profit for 1947 of $77,710, after providing $23,862 for taxes and writing off $2,235 from office premises and vaults, compares with $75,271 in the previous year, after $25,949 for taxes and $1,899 for write-offs.

Liquid assets, represented by Government, Municipal and Corporation bonds and cash, amounted to $1,494,879, considerably in excess of the total due to savings depositors. Advances of $34,045 to trusts and estates were repaid during 1947. Real estate held for sale of $6,082, comprised one property which has since been sold at a sum in excess of that figure. Stocks and bonds are carried at less than market values.

Guaranteed trust funds increased by $351,250 to an all-time high of $3,890,964. Estates, trusts and agencies at $7,071,168 were higher by $439,478.

Construction difficulties delayed opening of the new Barrie branch. Head office is in Toronto, and a branch is maintained at Regina.

Sun Trust

Sun Trust Ltd. 1947 net profit amounted to $34,482, compared with $29,906 in preceding year. Total assets increased by $13,-858,252 to $81,622,520. Assets under administration jumped to $78,-271,671 from $64,601,903 at end of 1946. Guaranteed funds were higher by $151,498 at $2,818,993. Capital assets totaled $531,856 at the end of 1947 ($494,871 a year earlier).

Dividends of $5 a share were again disbursed. Head office is in Montreal, with a branch in Quebec City. The company was founded in 1912.

Tor. Gen. Trust

The year 1947 showed further steady progress for Toronto General Trusts Corp. Net profit was $343,417, after providing $158,000 for taxes and $23,902 contribution to pension fund, against a profit of $335,678 in 1946, after $135,000 tax provision and $27,500 for pensions.

Assets under administration reached a total of $300,124,600, an increase of $3,868,394 over 1946. An amount of $250,000 was added to Reserve fund, which now stands at $2.25 millions. Dividend payments were raised to 7% per annum, against 6% in 1946.

Guaranteed trusts account showed a net increase of $1,112,-509 to $22,724,229. Holdings of Dominion, Provincial and Municipal securities improved by $2,574,294 to $16,600,702; stocks and bonds at $592,401 were higher by $290,068. Mortgages at $4,260,-270 were down $823,625 and call loans dropped $922,570 to $236,365.

Savings on deposit were up to $13,273,584 from $12,188,338. Liquid position in relation to deposits was 153% in 1947, a high record.

Real estate held for sale was reduced further to $37,325 from $63,338. Mortgages and agreements for sale in capital account were lower at $1,518,662, down from $1,749,643 at end of 1946.

Head office of the company is at Toronto, and 10 branches are maintained across Canada from Montreal to Vancouver.

Western Trust

Western Trust Co. had 1947 net profit of $80,327 ($82,607 in 1946). Estates, trusts and agencies under administration at end of 1947 amounted to $5,899,879, an increase of $184,095. Mortgages and agreements for sale in guaranteed account were up to $45,349 from $44,976.

Certain reserves which were considered to be no longer necessary were written back to accounts of origin during the year. An amount of $25,000 was transferred from reserve for mortgage of the subsidiary, Western Realty Co., to surplus, $8,000 reserve for mortgages and agreements was transferred to general reserves and $8,881 reserve for bad debts and deferred profits at the Regina branch transferred to profit and loss account. General reserves now stand at $330,000.

Western Realty Co., is a wholly-owned subsidiary, accounts of which consist of real estate from the parent company.

Western Trust Co. head office is in Winnipeg, with branches at Regina and Edmonton.

The British Mortgage and Trust Corporation of Ontario

Founded in 1877

STRATFORD, ONTARIO

Paid Up Capital $1,000,000.00
Reserves .... $ 900,000.00

3% on Guaranteed Investment Certificates

Hon. Nelson Monteith, President
W. H. Gregory, Managing Director

71st YEAR

WESTERN SAVINGS & LOAN ASSOCIATION
HEAD OFFICE, WINNIPEG
BRANCH OFFICES
Agency Building, Edmonton, Alta. McCallum-Hill Building, Regina, Sask.
221 A-8th Ave., W., Calgary, Alta. 407 Avenue Building, Saskatoon, Sask.
1 Royal Bank Building, Brandon, Man.

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Administrator — Executor
Trustees for Bond Issues
Transfer Agent and Register
Real Estate — Mortgage Loans

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Serving THE COMMUNITY BY PROMOTING HOME SECURITY

Conducting an estate administration and trustee business of national scope, on a sound, economical and personal basis, with nearly one thousand employees serving its clients, the Company holds an important place in the community through its extensive operations in safeguarding family security while acting in trust for others.

ESTABLISHED 1899

OFFICES ACROSS CANADA FROM COAST TO COAST

Halifax, Saint John, Quebec, Montreal, Ottawa, Toronto, Hamilton, Winnipeg, Calgary, Edmonton, Vancouver, Victoria

CAPITAL, RESERVE AND SURPLUS $8,200,000

ASSETS UNDER ADMINISTRATION $945,000,000

THE ROYAL TRUST COMPANY
CORPORATE SECURITY — PERSONAL SERVICE

Offices across Canada from Coast to Coast

THE TORONTO MORTGAGE CO.
13 TORONTO STREET, TORONTO
GERARD B. STRATHY, K.C., President — PHILIP SIMMONDS, Manager

Present Cash Value of Total Assets - - - - $4,444,900.00
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Why Not Devalue Canadian Dollar?

Here Are Views of U. S. and Canadian Economists

Why doesn't Canada devalue the dollar as part of her solution to the U. S. dollar shortage? What does she hope to gain by the import control program of Nov. 17, 1947?

Milton Friedman, assistant professor of economics of the University of Chicago, put these questions to Donald Gordon, deputy governor of the Bank of Canada, and Dr. W. A. Mackintosh, head of the economics department of Queen's University and wartime economic adviser to the Dominion Government. The occasion was a recent University of Chicago Forum broadcast, and a digest of the discussion follows:

Friedman: Mackintosh, what effect do these restrictions imposed by Canada have on the U. S.?

Mackintosh: Of course, the restrictions are imposed on Canadians, but they do have an effect on the U. S. Canadians travelling abroad are rationed in their travel funds. A long list of goods imported from any other country are prohibited. Imports are allowed under permit for another list of goods, but only up to a specified quota. Capital goods can be imported only under licence after a review of the construction program which gives rise to them. Now, all these restrictions, except the travel restrictions apply equally to all countries; but since most of our imports at the present time are coming from the United States, the restrictions, that is to say an abnormally large proportion of them, really do restrict imports from the United States.

Friedman: Do you regard Canada's program of giving large dollar credits as misplaced altruism?

Gordon: Certainly not. After all, Canada has the same general stake as the U. S. has in the restoration of war-ravaged countries and in the course of doing so, preventing the spread of Communism.

We also have in mind that these particular countries represent our customers in the long term and unless we can see them re-established on a basis where they are productive units, then we know that hope of restoring multilateral trade throughout the world would not be very bright.

Friedman: If goods are to be given elsewhere, they are not to be available for domestic consumption. How does Canada propose to prevent this large burden from yielding to inflation?

Mackintosh: Inflation is a continuous problem with us and we have taken a number of steps which tend to limit it. We have progressively built up a government surplus of revenue over expenditure as well as loans, and this surplus is becoming progressively greater. I, for one, would hope that it would continue as long as the inflationary pressure continues.

Our Import Restriction Program in part, as far as it applies to capital goods, is forcing a spreading out and a postponement of the construction and re-equipment project. Then, too, the market forces not counteracted by the Treasury and the banks of Canada have recently increased the interest rate so that the yields on government bonds have risen from 2.6% to 3%. Banks have indicated that they are unwilling to lend for capital purposes, and the bank figures show that there has been an actual reduction in credits outstanding.

Restrictions Bad Fighting Inflation?

Friedman: Your procedure and ours in the U. S. on this measure are very similar. We, too, have had proposals for credit control. We, too, have had discussions of tax policy. In contrast to you, Mackintosh, I believe that the measures taken quantitatively to restrict imports and exports are bad ways of fighting inflation, just as I believe that in the U. S. direct controls through rationing and price controls are bad ways, and that the appropriate way to fight inflation in both countries is through general measures which serve to restrict the quantity of money and credit in the hands of the people.

Gordon: But that is not really a Canadian problem. Our problem esssentially is that we are buying for cash and selling for credit. Our real trouble is that our customers have not been able to pay cash for all our exports. For instance, in 1946 we sold a total of 860 million dollars worth of exports on credit or gift and in 1947, we provided a further 400 millions on the same basis.

Friedman: But can you really separate the problem of foreign trade from the problem of internal trade? Is not the situation that Canada is really trying to live outside its income?

Gordon—I would rather put it, that we tried to consume more, to construct and equip more and to export more in goods and services than we actually can in the present circumstances produce. I agree that it is a total situation that we are discussing. One result of our endeavor to do too much is that U. S. goods and services have flowed in to fill the void.

Friedman: Then the problem is that you must cut down some of your commitments. Since we have agreed that the commitment of foreign countries is to be taken as a given fact, that means you must cut down somewhere else.

Gordon: Yes, but I repeat our real difficulty is the fact that we are not getting cash for what we sell and we are paying cash for what we buy.

Friedman: But if you were to curtail your domestic consumption or domestic investment, that would make goods available for export and it would reduce your demand for imports. Now, is not there a lot of room for curtailing domestic consumption and investment? Are you not producing 30%-50% more in physical goods per head than you were before the war?

Gordon: Yes, we are producing something like that and I think both consumption and, to a greater degree investment, could be curtailed. As I pointed out, we are taking steps to curtail that.

Friedman: You are taking these steps by direct restriction on the goods and services imported from abroad and by direct controls to facilitate exports. Are not these a very clumsy means and a very clumsy instrument for controlling imports and exports or, rather I should say for cutting down the total domestic consumption and investment to what you can really afford?

Gordon: Well, it seems to me that the contrary is true because through a system of selective controls or direct controls, as you wish to name them, we are able to aim our policy in the direction of reducing demands upon us for U. S. dollars so that in our restrictions on imports, that restriction has been aimed at reducing our consumption both in the consumer goods field and the capital goods field.

Effect of Change In Exchange Rate

Friedman: The question is whether that is the most effective way of doing it. There is the alternative of making goods more expensive to Canadians and your export goods cheaper to other people. If you are in the problem of having to cut down your imports by, say 20%-30% or whatever the figure might be, is it not better to let every individual decide for himself what items he wants to curtail in face of higher prices than to have a government offical do it in some overall, across-the-board, rough manner?

Gordon: After all, if a change in the exchange rate which, I suppose, is what you have in mind, were to be effective in cutting down the demand for our imports, there would have to be, in my opinion, a very large depreciation of the Canadian dollar. We also have to keep in mind our obligations under the International Monetary Fund.

Friedman: I do have in mind, of course, the exchange rate as one means of doing this. The amount it costs a Canadian to buy a product or a service from the U. S. depends not only on the price of that product in U. S. dollars but also on how many Canadian dollars he has to hand over to get an American dollar. Similarly, the price of your exports to an American depends on how much he has to pay for the Canadian dollar.

Currently your price—the official price—is one American dollar for one Canadian dollar. Would not it be desirable to make the Canadian dollar a little less expensive to the American, and the American dollar more expensive to the Canadian? If your International Monetary Fund prevents you from letting it go completely free as, I think, would really be desirable, why not return to the point where you were at the end of the war when the Canadian dollar cost 90 cents in American money?

Gordon: In my opinion, the reduction of the Canadian dollar by 10% would have comparatively little effect on our balance with the U. S. There are few of our exports that could be increased by a rise in price, except gold. The 10% increase in the price of imports would not by any means bring about the restriction that is necessary.

Friedman: Is not there some evidence from the unofficial market, Mackintosh, that a 10% decline may not be too bad? As we all realize, any American can walk into a bank in the U. S. now and buy Canadian dollars for 90 American cents to the Canadian dollar? That market is free from governmental control and the Canadian dollar can find its own level. If in that market the price of the Canadian dollar is 90 cents, does not that suggest that if you were to remove your government control on imports and exports and on the exchange rates, the Canadian dollar might only have to fall to 90 cents.

Mackintosh: No, I would not agree to that at all. The unofficial market for the Canadian dollar is located entirely outside of Canada. Transactions in this so-called unofficial market are always between two nonresidents. Canadian dollars which are bought and sold in that market have a very limited use in Canada. An American cannot use these dollars to pay for goods exported from Canada and, therefore, the rate at which two nonresidents will transfer Canadian dollars has no relationship at all to what the rate might go if it were thrown free.

Was Return to Parity A Mistake by Canada?

Freidman: The market may be narrow, it may be small. I find it hard to see any particular reason why it should necessarily for that reason lead to a different price for the Canadian dollar than the price that would arise if all international transactions were involved. But suppose that it is true, suppose that the price of the Canadian dollar would have to fall farther. Is there any argument against at least reducing it to 90 cents? Didn't you make a mistake a year and a half (ago) after the war when you raised the price of the dollar in the expectation that the American inflation would outrun the Canadian?

Mackintosh: No, I would not agree. Actually, the American inflation has outrun the Canadian. American prices at the time the dollar was revalued had risen substantially more than the Canadian and, according to the official cost-of-living indices, at least, they are still some 20 points higher as the result of war experiences. I would like to add this: to devalue by 10% would leave us in the position where we had a devaluation and we also had to have the direct controls because we have to protect what exchange we have left after having sacrificed a very large sum.

Friedman: You say that American prices have risen very much more than Canadian, yet the facts are that Canadian imports from the U. S. have risen drastically over the last year by something like 40%; Canadian exports to the U. S. have risen much less. Apparently at the existing price of the Canadian dollar, Canadians find that American goods are cheaper than Canadian, and Americans find that Canadian goods are relatively expensive.

Gordon: It should be kept in mind that the rising level of imports from the U. S. was due among other things, to more goods becoming available as 1946 went into 1947; moreover, when the prices rose the value of these exports in dollars rose substantially.

Friedman: In any event, how much of a decline in the price of the Canadian dollar it would take depends, of course, to a large extent on what you do internally. If internally you were having a policy which stimulated domestic inflation, then of course, the Canadian dollar would have to fall to a lower level in order to make Canadian goods cheaper in the U. S. and American goods dearer in Canada. We come back again to the domestic problem, to the problem of internally preventing a price rise.

Gordon: That is quite true. I would agree in the main with you. We should take steps to reduce our total demand. My position generally is that in using the only methods you suggest, Friedman, you are talking about fairly blunt instruments which cannot be nearly as selective as the restrictive program which our Government has embarked on and which was embarked on by reason of urgent and immediate necessity. We could not afford the time that would have been taken by this blunter instrument.

Friedman: Is not there a real question as to which is the blunter instrument? Just as curtailing imports, it seems to me that allowing each individual to choose for himself what he will pay in the face of higher prices is more effective.

If you were to try to curtail your domestic investment, which is really the area where you have the most significant problem, it seems to me it would be more sensitive to have the cost of capital go up to make the interest rate higher. In that way you let the individual businessman himself decide in the face of this higher cost what projects are the best and what projects are likely to yield the greatest income which, in turn for you will mean the greatest dollar income. Is not that a more sensitive instrument than having a government official say that Mr. Jones may put up this factory, but Mr. Smith may not put up the other?

Gordon: Well, it seems to me that it is a question of degree, just as in our earlier discussion on exchange rate. My own view is that if the interest rate factor were to be a controlling factor, there would have to be a much larger change in the interest rates than has already taken place because, as Mackintosh said, there has been a definite change in our interest rate which should, if you are correct, have an influence on the expansion of capital investment.

Friedman: It should. It is in the right direction and I should add that at this point I am criticizing not only the Canadian policy but also the U. S. policy. I feel that the U. S. chief shortcoming in its whole anti-inflation program has been its unwillingness to use stricter credit control. I suspect that Canada has done better even than we have in that direction. But would it not be desirable to do even more in that direction rather than put yourselves in the position of engaging in a host of direct controls, of telling people what to do, which must inevitably lead from one direct control to another direct control?

Restrictive Controls Intended for Short Run

Gordon: Well, I think I'd agree to that in part. It seems to me that it is a question of timing. These restrictive controls to which you object are intended to be a short-run matter.

Friedman: How do you expect to be able to get out of them if you start on this path? Are you not going to be driven farther along the line of price controls, of rationing? Are you not going to make it increasingly hard for you to return along the path that is in your and our long-run interest?

Gordon: I would not fear that a bit. The easiest controls in the world to get rid of are these drastic limitations that we have imposed on imports. Everybody is against them; everybody is going to help you get out of them.

Friedman: But to get out of them is by allowing at that time substantial inflation—and nobody likes inflation either!

Gordon: No, it is not necessary that we should allow inflation. The other controls you speak of take time to make their effect felt.

Friedman: These do, too. You postponed the imposition of your direct controls on imports for a considerable time beyond the point at which your foreign exchange resources were declining very rapidly.

Gordon: That is a possible criticism, that we delayed even too long in imposing these controls.

I agree with the thought that abolition of government controls on foreign exchange or in the form of import and export restrictions is highly desirable in the interests of a truly multilateral system of world trade. I believe that the judgment of the market place through the price system will in due course prove to be the most efficient way of deciding what should be produced, in what volume and by whom and where.

But I do insist that so long as a major portion of the trading nations of the world suffer from the dislocation, destruction and the disruption of war that direct controls by governments will continue.

I suggest that a prerequisite of the abolition of government controls is the correction of the fundamental disequilibrium in world trade arising from the unequal impact of war on each of the belligerent countries.

Canada simply must have regard to her extraordinarily vulnerable position as a large exporting nation and the vital need to see her traditional customers in western Europe re-established so that they can buy for cash out of their own earnings. Fortunately, the whole spirit and aim of the European Recovery Program is toward that objective.

Friedman: Gordon, I want to enter a hearty assent to your initial statement about the long-run virtues of using the market place and the free price systems; but I also want to disagree heartily with your statement about the necessity for controls by various countries in order to solve the short-run problem. I feel that both in the short run, in the immediate future and in the longer future, the most effective and efficient way of solving problems is by using the traditional mechanisms of a free price system and the general mechanism of broad credit control, foreign exchange rate change.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

EASTERN THEATRES LTD. net profit for the 53-week period ended Jan. 3, 1948 was $101,292, ($103,780 for the previous 52-week period). Working capital position at fiscal year end was $227,375 ($179,745).

INCOME ACCOUNT

	53 weeks ended Jan. 3 1948	52 weeks ended Dec. 28 1946
Net earnings	$199,093	$241,989
Less: Depreciation	4,664	4,545
Inc. tax prov.	93,137	133,664
Net profit	101,292	103,780
Less: Com. divd.	32,000	16,000
Surplus for year	69,292	87,780
Earnings per Share and Dividend Record:		
Common	$3.17	$3.24
Paid	1.00	0.50

CONDENSED BALANCE SHEET

As at:	Jan. 3 1948	Dec. 28 1946
Cash & govt. bds.	$246,660	$217,674
Accts. rec., etc.	10,442	661
Total curr. assets	257,102	218,335
Misc. assets▲	95,204	99,704
Fixed assets*	249,236	223,909
G'will, franch.	32,000	32,000
Total assets	633,542	573,948
Accts. & taxes pay.	29,190	38,053
Divds. payable	537	537
Total curr. liab.	29,727	38,590
Parent co. adv.	190,000	190,000
Capital stock	32,000	32,000
Surplus‡	381,815	313,358
*After depr. of	852,853	850,011
▲Incl. ref. EPT	84,528	93,597
‡Incl. ref. EPT	93,767	93,597
Working capital	227,375	179,745

YARMOUTH BUILDING & LOAN SOCIETY net 1947 profit was $10,176 ($10,919 in 1946).

	1947	1946
Liab. to public, etc.*	$44,562	$44,845
Shareholders' equity	254,175	249,095
*Secured by:		
Mortgages	297,861	272,957
Liquid assets	876	20,983
Total	298,737	293,940
Earned per share	$5.93	$6.37
Paid	5.00	5.00

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Canadian Can Sell in U. S. Ruling Slashes Red Tape

Salesman From Dominion Free to Seek New Clients, if Only "Visiting"; Must Not Establish Permanent Base

A negative answer is now indicated to the question posed last month: "Is United States tightening the bars on salesmen from Canada?"

The advertising salesman who was stopped at Detroit (The Financial Post: April 17) has won his appeal; he can again enter as "visitor for business" as he had been accustomed to previously.

This clears the way for another publisher's representative who had been advised not to press his application, pending outcome of the Detroit appeal.

Meanwhile, with these two difficulties tidied smoothly away, no fresh incident has arisen to justify the opinion that the United States is taking a more stringent attitude toward Canadian salesmen.

For those accustomed to sending representatives on business trips to the United States, the importance of the Appeal Board's recent decision is this: it settles the question of whether a "visitor for business" can go about contacting new business. The Appeal Board says he can.

The decision does not mean, however, that Canadians can—without going through the proper immigration proceedings — entrench themselves permanently in some sales territory south of the border, returning to Canadian soil only at face-saving intervals. U. S. officials still interpret "visitors for business" as being a man who has business responsibilities in his own country which generally take more of his time than visits to the United States. It's specifically provided that visits be neither continuing nor permanent. When in doubt as to where the exact border-line lies, salesmen or their employers are advised to contact the nearest U. S. immigration office before heading for the border. These are located at Toronto, Montreal, Winnipeg, Vancouver, Victoria, Halifax, Saint John, Yarmouth, and Quebec City.

Was Classed as Immigrant

The pertinent details of the successfully appealed case are:

George W. S. Shipman, an advertising representative for Canadian Engineering Publications Ltd. at Toronto (publication office; Montreal), last February was temporarily resident at Windsor, making short space-selling trips across the border. Questioned, he admitted that his work involved both the servicing of old contacts and the making of new ones. This, according to a Board of Special Enquiry at Detroit, made it necessary for him to enter under the "immigrant" category, rather than as a visitor for business. The precise grounds for returning him to Canada was that he didn't have the proper immigration papers. He appealed.

The Appeal Board's decision states that the term visitor for "business" includes not only intercourse of a commercial character (i.e. international trade) but any other legitimate activity of a temporary nature classifiable within the ordinary meaning of the word "business," but not classifiable as pleasure or labor. The "business" for which the alien is coming must be temporary and not continuing or permanent in character.

"In the present proceedings," the Appeal Board explained, "appellant is not coming to the United States to compete with American labor. Appellant is not under contract to any one in the United States. It is established that he is employed in Canada by a Canadian company.

"The work to be done in the United States for his employer is mental, not manual, and only incidental to his regular employment as an advertising representative in Canada.

"The degree of regularity in these business trips to the United States in pursuit of appellant's employment in Canada is insufficient to support a finding that the work to be done in the United States is continuing or permanent in character. Appellant, having established that the business he intends to do in the United States is temporary in nature and that he is able to depart from the United States at the expiration of the temporary period for which admitted, may be classified as a visitor for business.

"Citizens of Canada entering the United States temporarily across the Canadian border on a visit of less than six months for business or pleasure are not required to present immigration visas and passports. The documentary grounds of inadmissibility urged above therefore are not sustained.

"There being no other grounds of inadmissibility, recommendations will be made to sustain the appeal and to authorize temporary admission not to exceed six months, as a visitor for business."

Mr. Shipman was accordingly advised by the Detroit office that he would be admitted.

Loan Companies Reviewed

(Continued from page 19)

taxes, in 1946. In addition there was realized in 1947 a profit on sale of securities of $48,483, of which $34,998 was transferred to reserve fund to bring it up to $1.2 millions and balance of $13,485 was added to investment reserve.

Debentures which matured during the year amounted to $605,000. Renewals and new debentures were issued for $382,200. Following a policy adopted for the last eight years, company renewed only a portion of its maturing Sterling debentures.

New mortgage loans and renewals amounted to $804,800; total of mortgage loans at end of 1947 was $3,228,973. No real estate is held for sale. Liquid assets including bonds, stocks and debentures totaled $1,170,963.

Head office of company is at Toronto.

Victoria Tr. & Savings

Victoria Trust & Savings Co. net profit for 1947 jumped 21.7% to $80,795, after providing $47,500 for Dominion and Provincial Government taxes. All departments of the company's business showed satisfactory increases and new business was received by the Estates department from more distant places than ever before, President T. H. Stinson reported.

General reserve was increased to $650,000 by premium on sale of capital stock and by transfer from investment reserve and from earnings. Capital stock subscribed and fully paid was increased from $925,000 to $1,110,000.

Assets under administration rose to $16,385,492. Estates, trusts and agencies account stood at $2,482,-223, up $148,658.

Western Homes

Western Homes Ltd. 1947 net profit was off at $57,227, against $62,498 in the preceding year. Mortgage investments were lower at $1,013,806 at end of 1947, down from $1,511,514 in 1946. Total assets were down to $1,097,481 from $1,661,039.

On the liability side, bank loan and overdraft totaled $144,657 in 1947, against a loan of $25,000 the year before. Authorized capital was reduced during the year to $1,050,000 from $5 millions, and paid-up capital to $673,559 from $1,442,731.

Company's head office is at Winnipeg.

Yar. Bldg. & Loan

Yarmouth Building & Loan Society 1947 net profit was approximately the same at $10,176 as $10,919 earned in 1946. Mortgages were up $24,904 at $297,861. Liquid assets, including cash on hand, fell off to $876 from $20,983 in 1946.

On the liability side, a new item in 1947 was bank overdraft of $4,516. The regular dividend payment of $5 was made during the year.

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A-27

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The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INVESTMENTS

Arjon Gold Mines

Can you tell me if the Kerr-Addison ore structure extends into the Arjon Gold Mines property and just what company financial position might be?

Arjon Gold Mines has completed extensive diamond drilling from surface locations on its property which lies to the west of Kerr-Addison. Work has encountered gold values but so far there appears to have been no indication that Arjon has contacted possible westerly extension of the Kerr ore bodies.

Arjon is holding further drilling in abeyance until some arrangement can be made to drill underground from a neighboring property. So far these properties have not carried workings close enough to common boundaries to provide drilling positions.

Current assets totaled $71,-431 at Dec. 31, 1947, including cash of $22,838, stocks of other companies at cost, $17,736, Dominion bonds of $30,000 and accounts receivable $857. Current liabilities were $182.

INCOME TAX

Charitable Donations

I intend contributing substantially to a new charitable organization in our community. I understand, however, that the regulations regarding deduction of such contributions from income for income tax purposes were changed recently. Would this affect the deductibility of my contributions?

It may. Under a directive from the income tax department some time ago, deductions for income tax will be allowed only in the case of "approved" charities. Approval will not be given to any fund or organization, the purpose of which is to establish local facilities for recreational or social purposes. Where approval has already been given to a purely local organization, such approval will authorize deductions made during the calendar year 1948 only.

New organizations seeking approval as charities must apply to the department on a prescribed form. Accordingly if you expect to make a deduction from your income for tax purposes, on account of your proposed donation, you should find out first, if the organization is "approved." Generally, however, this new ruling does not apply to organizations for the advancement of religion or education or the relief of poverty.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

TUCKETT TOBACCO CO. net profit for the year ended Mar. 31, 1948 was off 24.2%. Working capital at year end was $2,495,202 as compared with $2,901,694.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net earnings	$470,324	$748,295
Add: Inv. inc.	152,013	155,291
Less: Deprec.	78,862	75,150
Income taxes	104,073	248,988
Net profit	439,402	579,448
Less: Pref. divs.	140,000	140,000
Ord. divs.	250,000	300,000
Surplus for year	49,402	139,448
Earnings per Share and Dividend Record:		
Preferred	$21.97	$28.97
Paid	7.00	7.00
Ordinary	11.98	17.58
Paid	10.00	12.00

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Dom. bds.	$25,000	$25,000
Sundry debtors	44,841	70,069
Inventories	4,549,101	3,897,232
Total curr. assets	4,618,942	3,992,301
Inv. in & adv. to sub.	2,362,961	2,048,155
Misc. assets▲	155,213	165,416
Fixed assets	1,337,179	1,155,644
G'will & t'marks	2,478,672	2,478,672
Total assets	10,952,967	9,840,188
Bank overdraft	1,195,784	283,777
Accts. & tax. pay.	742,956	621,830
Divds. payable	185,000	185,000
Total curr. liab.	2,123,740	1,090,607
Bldgs. mach. res.	1,157,491	1,116,374
Capital stock	4,500,000	4,500,000
Surplus▲	3,171,736	3,133,207
▲Incl. ref. EPT	142,555	153,428
Working capital	2,495,202	2,901,694

HULL has sold $700,000 of 3-3¼-3½% serial 15-year bonds to J. F. Simard & Co., Ottawa, for a price of 97.75. Money will cost the corporation a net average interest of 3.679%.

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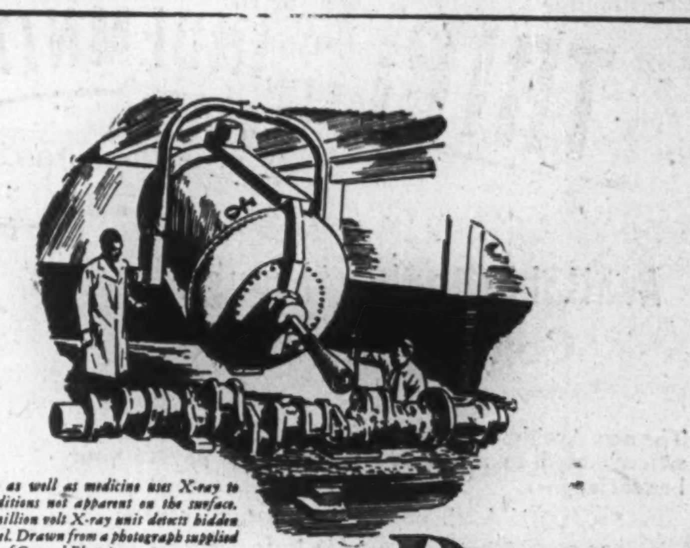

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CHESKIRK MINES advises that an additional two million shares have been listed on the Toronto Stock Exchange, bringing total listings to five million shares.

Is Your Fire Insurance Cover Adequate If Your Property Should Burn Tonight?

If fire destroys your house or factory tonight, will your fire insurance be suficient to enable you to replace the building and contents without loss?

According to some fire insurance authorities, if you are an "average" person, your fire insurance will be about 30% short. If it would cost you $75,000 to rebuild at present prices, you carry about $50,000 insurance.

About two years ago it was estimated that property subject to fire loss in all Canada was under-insured 45% to 50%; so that there has been some improvement since that time. But even now, when a fire occurs, it is found frequently that the amount of insurance carried is inadequate. In many cases, commercial buildings are found to be better insured relatively than residences. But the over-all picture shows considerable "under-insurance" in all types of property, despite a campaign inaugurated two years ago to get property-owners generally to insure up to value.

Meanness or Neglect

Reasons for under-insurance vary considerably in different quarters. Some property owners feel that they have never had a fire; that insurance is more or less a needless luxury. So they either don't insure at all or else insure for only part of the value, feeling that the chances are against them ever collecting a claim.

Others again are under-insured simply because they have failed to realize that their property values have increased enormously in recent years. Too many people are still valuing the replacement cost of their buildings on 1939 levels, whereas costs are up probably 100% or more. It is estimated that a house that cost $7,000 to build in 1939 would cost $14,000 today. A house-owner who insures on the 1939 basis or even on an increase of 50% will find himself out of luck if fire comes.

The same thing is true as regards commercial buildings. But under-insurance is less of a problem here than it is in residential properties. Businessmen generally seem to be more concerned with the possibility of fire losses on their business property and goods than on their homes.

Co-insurance Clause

Moreover many fire insurance policies on business properties contain a co-insurance clause under which the owner agrees to keep his insurance up to a stated percentage of the actual value, (80% is common). Under this type of contract, when the property-owner has kept his insurance up to the required percentage, if a loss occurs, the company pays the loss, up to the full face value of the policy in case of a total loss. But if he does not keep his insurance up to the required percentage his indemnity is reduced accordingly.

In policies with co-insurance clause, the premium is usually reduced. But another and great advantage is that it tends to make the owner appraise the value of his property, from time to time, and review the amount of insurance carried. Thus the owner is more likely to keep his insurance up to value in such cases.

But while under-insurance is a matter of prime concern to the property-owner it is also of importance to the insurance company, especially where partial losses are involved—and most fire losses in Canada are partial.

When a fire occurs in a building of modern fire-resistive construction, in a municipality with an efficient fire department, it is usually extinguished before the property is completely destroyed. In such cases the insurance company usually pays the actual loss while receiving a premium based on only a part of the value. The partial loss may become a total loss as far as the insurance company is concerned.

When there is no co-insurance clause and a partial loss occurs, the adjustment of loss is likely to be on a much closer basis than if the building is insured to value or if there is co-insurance.

A Sellers' Market

Meanwhile the fire insurance market continues active with the companies in some cases being offered more business than they care to take. Accordingly they are scrutinizing new business carefully and taking only the best of the risks offered. It is in effect a "sellers' market."

The recent announcement that the fire companies in Ontario and Quebec are increasing the rate on three-year contracts on commercial buildings will ease the situation for companies which found themselves embarrassed by the reserve requirements of 82 2/3% of the premium. The increase while small will provide a little more margin for payment of operating expenses (The Financial Post, May 15). Moreover there is an agitation in some quarters to "return to the old system under which writing of policies on commercial buildings for more than one year at a time was prohibited.

Fire losses in the first part of 1948 have been heavy, but companies are hoping for improvement in the balance of the year.

Crowding of dwelling quarters and deteriorated heating equipment are blamed for much of the loss in residential quarters. More adequate housing accommodation and replacement of worn-out heating and fire-fighting apparatus are expected to remedy the situation in coming months.

In any case, property-owners of all types are being urged to check their insurance cover with the replacement value of their property. Even over the last year some estimate building costs to have increased about 18%, so that insurance protection adequate in 1947 might be quite inadequate today.

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

POWELL ROUYN GOLD MINES 31.5% increase in ore shipments to the Noranda smelter in 1947 boosted gross revenue 75.2% to $509,479, and final net loss was cut from $209,525 in 1946 to $76,024.

Estimated ore reserves rose from 541,004 tons to 586,765, and tonnage of broken ore in stopes substantially increased. Labor shortages curtailed underground development in summer months, but ore developed totaled 1,053 ft., with average grade 0.142 oz. across average width of 7.6 ft. Company plans to develop north and south on one or more levels, well beyond limits of present mine workings.

Drilling for sulphide ore bodies from surface cut 112 ft. of sulphides, of which 56.5 ft. assayed 0.251 oz. silver, .231% copper and .185% zinc. While grade of intersection is not commercial, width and general geology warrants more drilling in vicinity of this hole, Mine Manager J. E. Jerome states.

Company's cyanide mill is being renovated to enable monthly production to be placed on a higher and more uniform level and to treat outside ore on a customs basis.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Ore shipments	$509,479	$290,768
Less: Mkt. exp.	76,489	7,075
Mining	234,329	183,052
Dev. & explor.	77,301	120,100
Mine management	27,994	24,510
Misc. exp.	81,321	66,775
Oper. loss	*12,045	110,744
Less: Misc. recpts.	8,281	17,532
Add: Deprec.	68,932	90,054
Pre-prod. exp.	25,473	25,474
Outside expl.	1,945	785
Net loss & deficit	76,024	209,525
*Profit or surplus.		
Earnings per Share	d$0.06	d$0.17
None paid.		

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash & bullion	$257,545	$215,616
Dom. of Can. bds.	75,000	100,000
Accts. rec.	1,377	24,924
Stores at cost	70,803	54,026
Total curr. assets	404,725	394,566
Prep. chgs.	9,158	8,856
Craibbe-Fletcher shs.	61,867	54,500
Def. develop.†	10,993	52,125
Mining props.	645,075	645,075
Plant & equip.▲	201,312	240,248
Total assets	1,333,130	1,395,370
Total curr. liab.	39,615	25,832
Capital stock	1,162,049	1,162,049
Surplus	131,466	207,489
†After w/o	318,658	636,153
▲After depr. of	690,832	638,646
Working capital	365,110	368,734

OPERATING STATISTICS

	1948	1947
Tons milled	97,764	74,329
Average recov.	$5.21	$3.91
Ore reserves, tons†	586,765	541,004
Grade ($35 gold)	$4.76	$4.55

†Excluding 428,794 tons, averaging 0.090 oz. in 1948, and 399,912 tons averaging 0.091 oz. in 1947.

McCOLL FRONTENAC OIL CO. states that a total of 807,963 shares of a total of 900,000 shares recently offered at $10 per share on the basis of one new share for each two held have been subscribed. Balance of 92,037 will not be issued at present. Common shares outstanding now total 2,607,963.

SAGUENAY POWER CO. reports a net profit of $392,063 for the quarter ended March 31, 1948, compared with $405,384 in 1947. Earnings on the common were $1.58 per share as against $1.68 last year. Earnings in 1948 is after deducting the preferred sinking fund payment.

C. H. Smith Store Buys Busy Window Corner

From Our Own Correspondent

WINDSOR—The southeast corner of the Ouellette-Wyandotte intersection here has been purchased by C. H. Smith Co., department store.

"The purchase represents an investment only and has no relation to our merchandising plans," said C. H. Smith, company president. "We are proceeding with modernization and expansion of our present store."

CITY OF VERDUN has sold $928,000 of 2¾-3% serial 20-year bonds to a syndicate including L. G. Beaubien & Co. and Banque Canadienne Nationale at a price of 96.829.

High West Bid For School Bonds

From Our Own Correspondent

EDMONTON—Edmonton Public School Board has accepted a bid of —603,810 for a $600,000 debenture issue for the construction of new schools in the city.

The bid, at a rate of 100.635, was made by Fairclough & Co., Cochran, Murray Co., Nesbitt Thomson & Co., Tanner & Co.

The debentures are 20-year serials bearing interest at 3¼% for the one to 10 year maturities and 3½% for the 11 to 20 year maturities. On the basis of the highest tender the net interest rate to the School Board is approximately 3.35%.

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NEW YORK LIFE INSURANCE COMPANY

A Brief Review of the 103rd Annual Statement to its Policyholders

Assets . . . The assets, held for the protection of the Company's life insurance and annuity contracts and to meet other obligations, totalled $4,234,184,598 at the end of 1947. Bonds and stocks are valued in conformity with the laws of the several States and as prescribed by the National Association of Insurance Commissioners.

• • •

Liabilities . . . The Company's insurance and annuity reserves and other liabilities aggregated $4,003,065,874 at the end of 1947. Surplus funds held for general contingencies totalled $231,118,724.

• • •

Reserves . . . At the close of 1947 the Company reached a major objective in its program for strengthening insurance and annuity reserves. All of its life insurance reserves are now held on an interest basis of either 2½ per cent or 2 per cent. All of its annuity reserves are on a 2 per cent basis. The program of reserve strengthening, which was undertaken to protect the interests of policyholders, has given recognition to the effect upon the Company's net earning rate of exceedingly low yields on high-grade investments. Policyholders can take renewed assurance from the knowledge that the Company has a very strong overall reserve basis.

• • •

Mortality Experience . . . The Company's mortality experience in 1947 was favorably low. In November of 1947 the Company adopted for its new series of policies a mortality table based on more recent mortality experience and therefore, in the years to come, the margin between "expected mortality" and "actual mortality" experience should not be so great as in the past.

• • •

Expenses . . . The Company, in common with practically all individuals and businesses throughout the country, quite understandably has been affected by rising costs of materials and wages. Continued efforts are being made to improve efficiency and effect economies without impairing the essential services rendered by the Company.

• • •

Interest Earnings . . . While the rate of interest earned by the Company in 1947 exceeded the rate required to maintain reserves because of the Company's program of reserve strengthening, the rates of return available on new investments of high quality continued low throughout the better part of the year. However, in the closing months of 1947 there was an encouraging upturn in interest rates on new investments which it is hoped will continue.

• • •

Dividends . . . The provision for 1948 dividends to policyholders is $37,151,312, as compared with $41,730,229 for 1947. The amount available for dividends was affected by the low yields from prime investments and increased expenses due to higher costs of materials and wages, as well as by the Company's program of strengthening reserves mentioned above.

• • •

Termination Dividends . . . The Company has declared termination dividends payable in 1948 on life insurance policies in certain categories. Such dividends, which are included in the provision for 1948 dividends to policyholders, become payable as the policies in these categories terminate in 1948 by death, maturity or surrender for cash after having been in force at least twenty years.

• • •

Surrender Allowances . . . For the year 1948 the Company has adopted a plan for allowance of amounts in addition to contractual cash values under life insurance policies issued before June 1, 1944 which during 1948 are surrendered for cash. This plan has been made possible because of the Company's having completed the major steps in its long-range program of strengthening insurance reserves which has been in progress for several years.

• • •

New Series of Policies . . . On November 17, 1947 the Company introduced a new series of policies with cash and other non-forfeiture values based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at 2 per cent. In the Company's series of policies issued from June 1, 1944 to November 17, 1947, such values were based on the American Experience Table of Mortality and interest at 2½ per cent.

• • •

Life Insurance In Force . . . At the end of 1947 the Company's life insurance in force exceeded nine billion dollars, which was the largest volume of protection in force in the Company during its entire history. Policyholders have $9,063,604,614 of life insurance protection under 3,683,297 policies. This was $520,296,199 greater than at the close of the previous year.

• • •

Sales . . . Sales of new life insurance during 1947 totalled $857,384,000. In the amounts of sales and life insurance in force, Family Income policies paid for in 1947 are reported on a higher basis than in previous years. This change has been adopted to conform with the customary practice among many other companies. On a corresponding basis, sales of new life insurance in 1947 were approximately 2½ per cent less than the sales in 1946.

• • •

Payments to Policyholders and Beneficiaries . . . During 1947 the Company's total payments to policyholders and beneficiaries aggregated $196,798,797. Of this amount, living policyholders received $115,716,396 and the beneficiaries of 19,804 policyholders who died received $81,082,401.

• • •

A Nationwide Organization . . . The Company does business in each of the 48 States, the District of Columbia, Alaska, Hawaii and the Dominion of Canada. While national in scope, the New York Life is very largely local in its operations in providing services to its policyholders through 138 Branch Offices in principal business centres, as well as through its sales organization of over 5,600 agents located throughout the United States and Canada.

President

STATEMENT OF CONDITION

December 31, 1947

ASSETS

Cash on hand or in banks		$ 41,558,001
Bonds:		
United States Government	$2,332,049,733	
Canadian	79,364,383	
Municipal	33,339,605	
Railroad	209,137,301	
Public Utility	546,976,861	
Industrial and Miscellaneous	240,074,438	3,440,942,321
Stocks, preferred and guaranteed		104,539,271
First Mortgages on real estate	$ 398,717,530	
Less Valuation Reserve	12,276,826	386,440,704
Real Estate:		
Properties for Company use	$ 10,512,255	
Foreclosed Properties, including $385,910 under contract of sale	6,465,819	
Rental Housing and Business Properties	23,249,360	40,227,434
Policy Loans		156,836,208
Interest and Rents due and accrued		24,375,574
Deferred and uncollected premiums and other assets		39,265,085
		$4,234,184,598

Of the securities listed in the above statement, securities valued at $55,014,806 are deposited with Governments and States as required by law.

LIABILITIES

Reserve for Insurance and Annuity Contracts†		
Computed at 2½% interest	$2,560,240,657	
Computed at 2% interest	717,863,928	$3,278,104,585
Reserve for optional settlements under policies previously matured		366,351,074
Reserve for dividends left with the Company		313,701,744
Provision for 1948 dividends to policyholders		37,151,312
Reserve for premiums paid in advance		39,071,393
Policy claims in course of settlement and provision for claims not reported		13,968,168
Reserve for unmatured options in policies*		40,000,000
Reserve for other insurance liabilities		5,548,653
Provision for taxes		5,666,318
Miscellaneous liabilities		3,507,627
TOTAL LIABILITIES		$4,003,065,874
Surplus funds held for general contingencies		231,118,724
		$4,234,184,598

*To provide for 2¾% interest valuation on maturity of options in policies issued prior to 1939, which mainly have 3% interest guarantees.

The Company started business on April 12, 1845. It has always been mutual and is incorporated under the laws of the State of New York. The Statement of Condition shown above is in accordance with the Annual Statement filed with the New York State Insurance Department.

The Home Office of the New York Life Insurance Company is located at 51 Madison Avenue, New York 10, New York.

NEW YORK LIFE IN CANADA. The New York Life started doing business in the Dominion of Canada in 1868, twenty three years after the Company began in the United States and one year after Confederation. Insurance in force in the Dominion on December 31, 1947, totalled $131,110,778 under 58,387 policies. Investments in Canada at the close of 1947 aggregated $89,396,248, of which $58,835,984 were Dominion of Canada government bonds, $20,528,399 were provincial, municipal and public utility bonds and the remainder represented first mortgages on real estate, policy loans, and other assets.

To serve its policyholders and the public of Canada, the New York Life maintains Canadian Department Headquarters at Toronto, and Branch Offices at Montreal, Quebec City, Winnipeg and Vancouver.

Our SECOND CENTURY

CANADIAN DEPARTMENT HEADQUARTERS
320 BAY STREET, TORONTO

Quebec Branch:
400 Boulevard Charest,
Quebec, P.Q.

Montreal Branch:
Dominion Square Bldg.,
Montreal, P.Q.

Winnipeg Branch:
233 Portage Ave.,
Winnipeg, Man.

British Columbia Branch:
736 Granville St.,
Vancouver, B.C.

NEW YORK LIFE Insurance Company

A MUTUAL COMPANY—SERVING CANADIANS SINCE 1868

How Does Charitable Foundation Work? Taxes and Succession Duties Affected

What is a charitable foundation? How does it affect the succession duties of an estate? How is it administered?

These questions were brought into the business limelight last week with the announcement that under the will of the late Joseph E. Atkinson, president of the Toronto Star Ltd., the Toronto Daily Star and the Star Weekly pass in perpetuity to The Atkinson Charitable Foundation. Here, in question and answer form, are the details on charitable foundations:

By DONALD G. MACLEAN

The practice of establishing foundations for religious, charitable or educational purposes has become more common in Canada in recent years although still not so common as in the United States. Dominion and provincial Government exemptions from succession duties for charitable bequests have encouraged the practice.

What is a charitable foundation?

A foundation for the purposes indicated is defined as an endowed institution, corporation or charity; while the donation or legacy actually constituting the endowment is also sometimes spoken of as a foundation. It is in effect a type of trust and subject generally to the laws affecting trusts, unless otherwise provided.

How can it be created?

The foundation in the sense of an endowment or trust can be created by will or by incorporation. If by incorporation, it may be established before the death of the founder. Provision for electing the directors is no different from other corporate bodies without share capital. If established by will the directors or executive committee in charge are usually named and in either case provision is made for appointing their successors. The directors or trustees are frequently empowered to do this. Under the direction of the will, or other legal instrument, creating the foundation they will disburse the revenues received.

How are the revenues disbursed?

The assets of the foundation may be in cash, bonds, and other securities. They may represent the controlling or total share capital of a company. The revenues accruing from these assets are disbursed according to the purposes for which the foundation was established. If the controlling interest in a business is held, the directors of the foundation automatically control the policy of the business. While the foundation is a nonprofit institution paying no dividends the directors may draw substantial fees or salaries.

The term charitable as applied to foundations usually includes religious and educational as well as strictly charitable purposes. Under both the Dominion and provincial laws, charitable organizations enjoy substantial tax benefits both as regards income taxes and succession duties.

Can the trust be revoked?

To qualify for these tax benefits the foundation must be of an approved type and the trust or gift must be irrevocable.

What bequests are tax exempt?

Under the Dominion Succession Duty Act, bequests to charitable organizations are exempt up to 50% of the total value of the estate. Under the Ontario Act the whole of such bequests are exempt from death duties, if the benefiting organizations carry on their work solely in Ontario. If they operate outside Ontario also, the exemption varies in proportion to the expenditures of the charitable organizations for carrying on their work inside and outside of Ontario respectively.

What part of estate is liable for tax?

When charitable bequests are only part of an estate, the remainder is liable for succession duties in the usual way. Under federal law, charitable bequests, even if tax exempt, are included in the estate for the purpose of determining the initial rate of taxation on the balance. Under the Ontario law, they are ignored.

What is the tax on the annual income of a charitable foundation?

None. Like a church, it is tax exempt.

What are the savings on succession duties?

Here's how the succession duty saving works out on an estate of say $2 millions left in three different ways, in Ontario:

1—When the whole $2 millions is left entirely to the widow—the combined Dominion and provincial duties amount to $945,940.

2—When $1 million is left to the widow and $1 million to a charitable foundation, combined duties total $410,840.

3—When the whole $2 millions is left to charity, the tax is $498,000, all payable to the Dominion.

In the second case there is no tax on the charitable bequest, by either the Dominion or the province while the widow's bequest is taxed at the rate charged "preferred" beneficiaries, and the Dominion gives credit for taxes paid to the province.

In the third case, however, while there is no provincial tax, and half of the total bequest to the charity is exempt under Dominion law, the remaining half is taxed at rates applicable to beneficiaries in the "stranger" class, the highest rates in all jurisdictions.

What is the tax saving if an estate is $10 millions?

In that case, if all the estate were given to an heir, such as a widow, the total tax would be around $6,030,000. If all the estate is turned over to a charitable foundation, the total tax is only about $2,700,000. Tax rates are the same for all estates from $5 millions up.

Must charities be named?

In some quarters doubt has been voiced that gifts under such an institution as the Atkinson Foundation might be exempt unless the specific charities to which the income of the foundation may be paid are specifically mentioned. In a brochure issued by the Dominion Government after the Dominion enacted its succession duty act in 1941 it is stated however, "The organizations to be regarded as charitable in the eye of the law are those of a public nature, whose object is to benefit the community or some part of it, as opposed to particular individuals pointed out by the donor. In short, gifts for the abstract purposes of relieving poverty, advancing education or advancing religion are charitable." It is believed Ontario practice is similar.

Who sets the regulations?

The regulations under which the foundation must operate are usually contained in the instrument establishing it, that is the will; or the charter or supplementary letters patent if it is incorporated. On any point not covered by the will or the charter, the Trustee Act comes into operation.

Usually the powers given the directors of a foundation are wider than those given by the Trustee Act. For example, in most cases it would be desirable for the trustees to have fairly wide powers as regards investments.

Is the foundation subject to public audit?

The directors of course unless otherwise provided, are subject to the laws affecting administration of trust funds. Periodic audits are required, the public trustee of the province having considerable power in this regard. Such audits may be held at intervals of say five years, or more. If however, any interested party or any public official has reason to believe something is amiss, he may ask for an audit at any time. Normally, however, such requests are few and far between.

Any trustees found guilty of neglect, fraud, malfeasance, etc., would be subject to the usual penalties for such offences.

When did foundations originate?

Benjamin Franklin 200 years ago wrote in his will that as "a kind loan of money" had been the "foundation" of his fortune, he wished to leave £1,000 to Boston and Philadelphia each, to be "loaned at interest" to "young married artificers of good character."

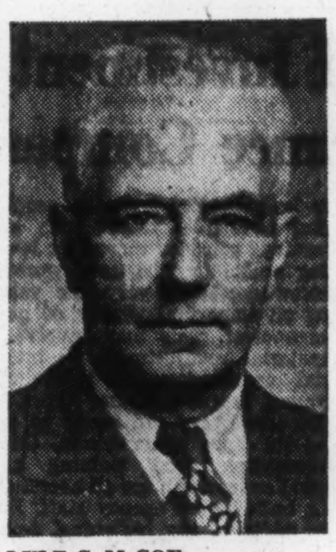
Later and better known foundations include the group of Carnegie Foundations, the Rockefeller Foundation, Kellogg Foundation and the Twentieth Century Fund.

Are there many foundations in Canada?

In Canada, foundations bearing family names include the J. W. Dafoe Memorial Foundation (Winnipeg); Flavelle Foundation; the Cardy Foundation; the Ivey Foundation, Leonard Foundation, T. P. Loblaw Foundation, William Ramsay Charities and the Silverman Foundation. Others include the Banting Research Foundation, Canada Foundation, Canadian Tax Foundation, Ottawa Charitable Foundation, Strathcona Trust, Winnipeg Charitable Foundation. Most of these were established for charitable or educational purposes.

Who benefits from some foundations?

In greater detail, for example, the T. P. Loblaw Charitable Trust set up a fund of approximately $3 millions, the income from which goes to the Kiwanis Club of Toronto for underprivileged boys' work and such other charitable purposes in Toronto as the said club may determine. The Leonard Foundation administering about $1.5 millions uses its income for educational purposes, as the committee in charge may determine. It aids education by paying scholarships and bursaries to students. The Leonard Charitable Trusts administering about $500,000 aids educational institutions. Income of the William Ramsay Charities (capital fund about $400,000) goes one fifth to the Queen Elizabeth Hospital, two fifths to the Toronto General Hospital, and two fifths to charities in Toronto as determined by the directors of the Toronto General Trusts, the administrators who also administer the Loblaw and Leonard Foundations.



LYLE C. McCOY

has been appointed a director of Canada Car & Foundry Co., of which he has been vice-president and general manager since 1944.

JAMAICA PUBLIC SERVICE reports an increase of $236,010 in operating revenues for the 12 months ended March 31, 1948, over the comparable 1947 period. Net profit of $342,660 was down by $10,472 due largely to an increase in operating expenses. Earnings on the 135,000 common shares amounted to $1.47 per share for the period compared with $1.67 in 1947.

Staff Changes

The Bank of Montreal announces the following staff changes.

J. L. M. LALIBERTE, of head office, to be manager, St. Lawrence Blvd. & Jean Talon St., Montreal.

F. M. ALLAN, manager, St. Lawrence Blvd. & Jean Talon St., Montreal, to be manager, Waterloo, Que.

C. R. ALLUM, accountant, Prince George, to be manager, Bralorne.

G. T. German, manager, Bralorne, to be manager, Sidney, B.C.

J. Henderson, assistant manager, Halifax, to be an assistant manager, King & Yonge Streets, Toronto.

I. B. JURGENS, manager at Schreiber, to be manager at Whitewood.

* * *

The Bank of Nova Scotia announces the following staff changes.

D. E. HART, to be manager, Victoria, P.E.I.

R. N. BATY, to be accountant, Perth, Ont.

G. S. MINAKER, to be accountant, Guelph, Ont.

J. S. READ, to be accountant Sydney Mines, N.S.

* * *

The Dominion Bank announces the following staff changes.

E. R. CAMERON, formerly western supervisor, to be western superintendent at head office.

CORMACK SMITH, formerly western inspector, now western supervisor.

JOHN MORRISON, to be assistant western supervisor, Winnipeg.

R. A. DYKES, formerly assistant manager, Vancouver, B.C., to be manager, Orillia, Ont., replacing F. A. BURT, assuming new duties at head office.

H. L. McKINNY, to be assistant manager, Vancouver.

R. E. SAUNDERS, C.A., to be assistant chief accountant, head office.

N. A. MELDRUM, formerly accountant, Hamilton, Ont., now manager, Leaside, Toronto.

Wm. DAVIDSON, formerly manager, Leaside, Toronto, to be manager, Dundas & McCaul Sts., Toronto.

A. P. DUCK, formerly manager, Dundas & McCaul Sts., Toronto, to be manager, Spadina Ave. & College St., Toronto, replacing W. S. PATE, retiring.

G. T. CORLETT, formerly accountant, City Hall, Toronto, to be accountant, Hamilton, Ont.

F. L. LOWENS, to be accountant, City Hall, Toronto.

G. B. O'NEILL, to be accountant, London, England.

W. A. ADKINS, to be accountant, Medicine Hat, Alta.

WILLIAM HERRON, formerly accountant, Welland, Ont., to be accountant, Sudbury, Ont.

W. MUIRHEAD, to be accountant, Dominion Square, Montreal.

A. C. MARKHAM, to be accountant, Port Credit, Ont.

W. J. HILL, to be accountant, St. Jean Baptiste Market, Montreal.

J. R. STEWART, to be accountant, Toronto.

B. J. McCABE, formerly accountant, Toronto, now attached to inspection department at head office.

BANK OF CANADA

	May 12, 1948 $	May 5, 1948 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,192,833,644	1,138,398,870
Deposits: Dom.	94,338,569	61,914,337
Chart. banks	531,899,164	573,046,645
Other	111,862,379	117,891,049
Total deposits	738,100,112	752,852,031
Liabs. payable in sterling, U.S.A. and for'n. gold currencies: Deposits	483,591	483,591
All other liabs.	13,709,146	19,702,221
Total liabs.	1,960,176,860	1,976,487,080
Assets		
Sterling & for'n. exchange	483,591	483,591
Other currencies	123,940	115,372
Total	607,531	598,963
Subsid. coin	212,456	213,460
Investments: Dom. govt. sh.	1,131,844,065	1,138,665,438
Oth. Dom. gov.	767,644,966	767,788,452
Total invest.	1,899,489,031	1,906,453,891
Int.Ind. dev. bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,410,045	2,409,862
All other assets	32,457,797	41,810,904
Total assets	1,960,176,860	1,976,487,080

$5,790,000 Issue Sold By Manitoba

From Our Own Correspondent

WINNIPEG—The province of Manitoba has sold a bond issue of $5,790,000 at a price of 100.26, equivalent to a yield rate of 3.09% yearly.

The issue, payable in Canadian funds, was purchased by a syndicate composed of Royal Securities Corp., Nesbitt, Thomson & Co., Cochran, Murray & Co., and James Richardson and Sons, the last-named firm to act as syndicate managers.

All but $415,000 is new borrowing. The money was required to provide $3,181,000 for the Manitoba Power Commission of which $415,000 was refunding; $2,275,000 for road construction and purchase of road machinery and $350,000 for construction of public buildings, a total of $5,806,000. Because of the price offered for the issue, it was only necessary to issue debentures for principal amount of $5,790,000.

The debentures are issued in two amounts, one of $1.8 millions bearing 2¾% interest, maturing $180,000 each year from June 15, 1949 to June 15, 1958 inclusive; the other for $3,990,000 at 3¼% maturing June 15, 1963.

There were five bids other than the one accepted. They were Wood Gundy & Co., 100.193; Fairclough & Co., 100,189; Osler, Hammond & Nanton, 100.147; Bell, Gouinlock & Co., 100.06; and Lightcap Securities, 99.639.

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1948
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BRITISH RAILWAYS

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THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

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If you sell, advertise, plan new branch offices and plants, or contemplate entering the rich Canadian market for the first time, you will find this market survey an invaluable source of information about the provinces, cities and towns of Canada and Newfoundland. Ideal for travellers and sales promotion men who want to know if they are getting their share of potential sales in each city and province.

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You get all this plus 52 big pages of useful information about Canada's leading industries and Canada's economy. 160 pages—12" x 9".

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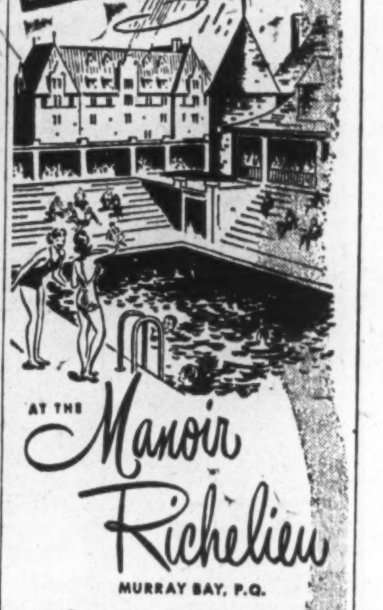

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MURRAY BAY, P.Q.

SOPHISTICATED setting for an exciting interlude of fun and entertainment. Make a date with adventure—at the Manoir Richelieu!

For reservations, phone or wire: F. L. Abel, Manager, Manoir Richelieu, Murray Bay, Que. Rates from $12 per day with meals.

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The *new* Royal Muskoka Hotel offers you everything for the more exclusive and gracious holiday. Relax and rest in carefree comfort, or play as you wish. Enjoy tennis on fast clay courts, golf on a sporty lakeside course — professionally kept — swimming, beach sports, sailing, boating, launch trips and lake cruises. Meals, under a famous chef, are superb — in both dining-room and new coffee shop. Music and dancing every night with excellent orchestra — then sleep restfully in the spicy, pine-laden coolness. All bedrooms newly furnished and redecorated. Comfortable steam heating (rooms and corridors) for chilly evenings. The *new* Royal Muskoka — with its experienced, hotel-trained staff — extends every personal interest in your comfort to make for a distinctive, long-remembered holiday.

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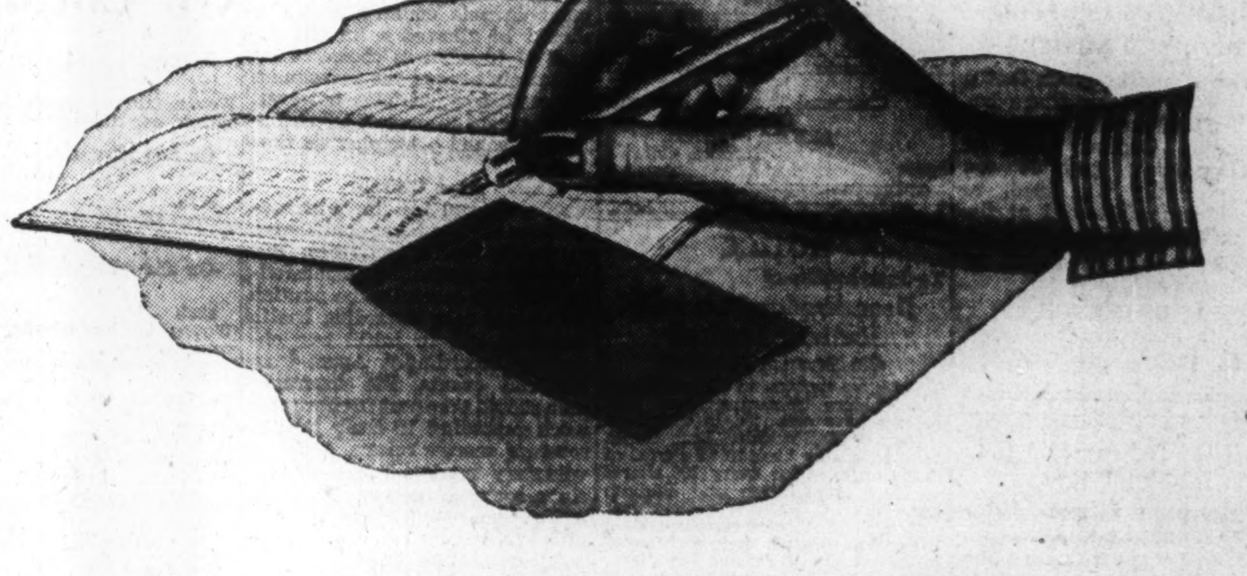
Don't try to save *too* much



It may sound like unusual advice from a bank. But it's based on our experience with thousands of depositors, and we think you'll agree it's sensible.

The simple secret of saving is *regularity* . . . deposit money regularly, and leave it there until you have the amount you want for some specific purpose.

If, on the other hand, you try to save more than you can afford it becomes not only a burden, but an impossibility.

You find you have to miss one or two deposits, you find yourself drawing out your savings for some current need.

Decide on a sum you can afford, make deposits regularly, and *enjoy* saving!

THE BANK OF NOVA SCOTIA

DIVIDEND NOTICES

Westeel Products Limited

DIVIDEND NO. 18

Notice is hereby given that the regular semi-annual Dividend of fifty cents per share, has been declared on the outstanding Capital Stock of the Company, payable in Canadian Funds on the 15th day of June, 1948, to Shareholders of record at the close of business on the 26th day of May, 1948.

By Order of the Board.

P. F. FOWLE,
Secretary-Treasurer.

Toronto, May 15th, 1948.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of thirty-five (35) cents per share for the Quarter ending June 30th, 1948, has been declared on the No Par Value Common Stock of the Company, payable July 22nd, 1948, to Shareholders of record at the close of business on June 30th, 1948.

By Order of the Board.

A. G. SULLIVAN,
Secretary.

Montreal,
May 12th, 1948.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifteen cents (15¢) per share in Canadian currency on the outstanding Common Shares of the Company has been declared payable June 15, 1948, to shareholders of record at close of business May 25, 1948.

By Order of the Board.

A. M. HENDERSON,
Secretary-Treasurer.

Montreal,
May 10, 1948.

CANADA WIRE & CABLE COMPANY LIMITED

DIVIDEND NOTICE

CLASS "A" COMMON

The Directors of this Company today declared a dividend of $1.00 per share on the outstanding Class "A" Common Stock of the Company—payable on the 15th of June, 1948, out of the amount previously set aside, to Shareholders of record at the 31st of May, 1948.

CLASS "B" COMMON

The Directors also declared an interim dividend of 25c per share—as Dividend No. 38—on the outstanding Class "B" Common Stock of the Company, payable on the 15th of June, 1948, to Shareholders of record at the 31st of May, 1948.

By Order of the Board.

A. I. SIMMONS,
Secretary.

Toronto, May 12th, 1948.

Canadian Western Natural Gas Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of Twenty Cents (20c) per share on the Cumulative Redeemable Preference Shares 4% Series of the par value of $20.00 each of the Company will be paid on the 1st day of June, 1948, to all shareholders of record at the close of business on the 18th day of May, 1948.

Dated at Calgary, Alberta, this 10th day of May, A.D. 1948.

By Order of the Board.

D. K. YORATH,
Secretary.

ENAMEL & HEATING PRODUCTS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 50c per share has been declared on the issued and outstanding Capital Stock of the Company, payable on Saturday, July 31, 1948, to Shareholders of Record at the close of business June 30, 1948.

By order of the Board of Directors.

A. R. FRENCH,
Secretary-Treasurer.

May 13, 1948.

VIRGINIA DARE LIMITED

DIVIDEND NOTICE— PREFERENCE SHARES

A dividend of Thirty-One and One-quarter cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending June 1st, 1948, payable on June 1st, 1948, to Shareholders of record May 17, 1948.

By Order of the Board,

G. I. TAYLOR,
Secretary.

Toronto, April 28, 1948.

Woods Manufacturing Company, Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending June 30th, 1948, payable June 30th, 1948, to shareholders of record, May 31st, 1948.

By Order of the Board.

R. E. LEWIS,
Secretary-Treasurer.

Montreal, April 29th, 1948.

PICKLE CROW GOLD MINES LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND NO. 36

Notice is hereby given that a dividend of Ten Cents (10c) per share in Canadian funds has been declared, payable on Wednesday, June 30th, 1948, to shareholders of the company of record at the close of business on Monday, May 31st, 1948.

By Order of the Board.

G. M. HUYCKE,
Secretary-Treasurer.

Toronto, Ont., May 17th, 1948.

DIVIDEND NOTICES

Canadian Silk Products Corporation

DIVIDEND NOTICE

Notice is hereby given that a Dividend of Thirty-seven and One-half Cents (37½c) per share has been declared on the Class "A" Common Stock outstanding of this Corporation, payable on the 30th day of June, 1948, to all Shareholders as of record at the close of business on June 1st for the quarter ending June 30th, 1948.

By Order of the Board.

GORDON G. COOKE,
Secretary.

Montreal,
May 17th, 1948.

ABITIBI POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 62½c per share has been declared on the outstanding Prior Preferred Shares of the Company payable July 1, 1948, to Shareholders of record at the close of business on June 1, 1948.

By Order of the Board.

L. B. POPHAM,
Secretary.

May 13, 1948,
Toronto, Ontario.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND No. 126

A dividend of 37½ cents a share has been declared on the outstanding no par value Common Stock of this Company payable Tuesday, June 15, 1948 to shareholders of record at the close of business on Friday, May 21st.

By Order of the Board,

A. H. STUART,
Secretary.

Walkerville, Canada,
May 6, 1948.

SILKNIT LIMITED

Dividend Notice

Notice is hereby given that a dividend of 1¼% (50c) per share has been declared on the 5% Cumulative Preference Shares of $40 Par Value of the Company, payable on the 15th day of June, 1948, to Shareholders of Record Tuesday, the 1st day of June, 1948.

By Order of the Board.

H. T. BURGESS,
Secretary.

RELIANCE GRAIN COMPANY LIMITED

4% CUMULATIVE REDEEMABLE PREFERRED STOCK

NOTICE is hereby given that a dividend of one Dollar ($1.00) per share, being a dividend for the quarter ending May 31st, 1948, was declared by the Directors at a meeting held this day and is payable on June 15th, 1948, to all 4% Cumulative Redeemable Preferred Shareholders of record with the Transfer Agents of the Company at the close of business on May 31st, 1948.

By order of the Board,

J. D. MORAN, Secretary.

Winnipeg, May 11th, 1948.

NOTICE

To Shareholders of

Yellowknife Gold Mines Limited

(No Personal Liability)

We have written to all registered shareholders informing them that we are now prepared to distribute shares of Yellowknife Bear Mines Limited on the basis of 2,063 shares of that Company for every 1,000 shares of Yellowknife Gold Mines Limited.

Holders of "street" certificates are advised to forward their certificates to us in order to receive the shares of the new Company to which they are entitled. A copy of letter regarding the distribution is available upon request.

Chartered Trust and Executor Company,
34 King St., West,
Toronto, Ont.,
Trustee.

NOTICE

To Shareholders of

Bear Exploration and Radium Limited

(No Personal Liability)

We have written to all registered shareholders informing them that we are now prepared to distribute shares of Yellowknife Bear Mines Limited on the basis of 60 shares of that Company for every 100 shares of Bear Exploration and Radium Limited.

Holders of "street" certificates are advised to forward their certificates to us in order to receive the shares of the new Company to which they are entitled. A copy of letter regarding the distribution is available upon request.

Chartered Trust and Executor Company,
34 King St., West,
Toronto, Ont.,
Trustee.

Notice to Shareholders

THE RUPUNUNI GOLD MINING COMPANY (CANADA) LIMITED

(No Personal Liability)

All shareholders holding share certificates of this Company in names other than their own are requested to forward the same to

THE CANADA TRUST COMPANY
244 BAY ST., TORONTO, ONT.

for registration in their own names, as an annual meeting is being called and notices and information will be forwarded to shareholders of record only.

Broadening of Investment Powers Of Life Insurance Companies Urged

Moderate broadening of the investment powers of life insurance companies and the working out of some system by which policyholders can pay premiums on a "pay-as-you-go" basis were suggested by William M. Anderson in his presidential address at the annual meeting of the Canadian Life Insurance Officers at the Seigniory Club this week. Mr. Anderson is general manager of the North American Life Assurance Co.

The life companies occupy four major positions in the community in which they serve as insurers, employers, investors and citizens, he declared and added that while many companies have shareholders, the position of these shareholders in recent years has become a relatively minor one. Here is a digest of his address:

By WILLIAM M. ANDERSON

The very nature of life insurance contracts involves large future obligation of fixed amount. Accordingly the main avenue for investment of the assets of the companies is in fixed-term securities, with a high degree of safety. But because life insurance contracts involve assumption of interest, life insurance assets must be invested to obtain yields at least as high as those assumed in computing liabilities and as much more as can be done without endangering safety and security.

Our industry today is a very important factor in the investment market but we are faced with important problems:

1—Our area of investment is limited by law.

2—Within those legal limits are certain types of investment either unsound or giving too low a yield.

In recent years the area of investment that is safe and legal and at the same time profitable as regards interest rates has shrunk seriously.

Factors tending to improve the situations are:

1—A tendency by the companies to lower the assumed rate of interest earnings for their new contracts. This is a slow process and does not lower the cost of insurance to the policyholder.

2—The recent slight upturn in interest rates which has somewhat eased the problem of finding suitable investments—in sufficient quantity.

A third avenue of approach is now required and that is that outside the legal limits are many forms of investment which would adequately serve the purposes of life insurance funds as regards yield without any sacrifice of safety.

This problem also involves important social implications in that the companies should be enabled to invest in types of security prevalent in the various territories where they operate, so that the savings of the policyholders may be paralleled to a greater extent by corresponding investment within the communities where they live.

Moreover the complicated economic life today results in new forms of investment being continually evolved. Since we are major suppliers of investment requirements we should be able to make these investments in forms which suit the purposes of those to whom we supply capital. Surely our business has reached the point in this country where it should be allowed a limited degree of freedom in choice of investments beyond the investment powers it now has. This, however, is not meant to suggest jeopardizing the sound principles we now follow.

As a Citizen

As a citizen, the life insurance business for years has contributed to public health activities. But we have a continuing responsibility to assess carefully the position we should take regarding health activities and to fulfill our obligation accordingly. Apart from financial grants, life insurance men should take part in charitable work according to their talents, some as money raisers, some in voluntary work through service clubs, some through giving advice and guidance on boards and advisory committees. Actuarial services should also be made available to the community where needed.

As An Employer

As employers, the life companies should make it a primary objective to furnish lifetime careers for those who work for them. In the past much recruiting of agents has been done among men and women who have reached mature years, because the job of a life underwriter in many ways is best handled by such people. But companies might with advantage consider those just leaving school or who have worked elsewhere for a very few years as an important supply of new manpower. This may involve a material readjustment in internal organization to use these young people in other types of job until they are ready to act as full-time underwriters. Good recruiting, good training and good supervision are all necessary in building an agency staff. But in addition, any individual doing his job conscientiously, should be protected against disturbances in his remuneration by circumstances beyond his control. The companies can also do a good job for the community by giving a job when they can, to people handicapped by some physical disability.

From the public relations point of view it is also desirable that our companies should have a high regard for their companies and their business.

As insurers, the life insurance companies should be alive to possibilities of new plans and methods of coverage. Some day possibly we shall see collection of life insurance premiums on a "pay-as-you-go" basis. The next few years will probably see a substantial increase in the proportion of our business done on a monthly premium basis. The most efficient method of doing this is by payroll deductions by the employer. But the administrative detail of such a procedure where employees are insured in more than one company at present is prohibitive. Possibly some sort of "clearing-house" procedure will some day be possible.

Group insurance while growing in recent years and performing a valuable service cannot go beyond giving a common minimum of insurance cover. The agency system through individual underwriting makes possible the solving of the insurance problems of the individual through individual policies.

ABITIBI POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 37½c per share has been declared on the outstanding Preferred Shares of the Company payable July 1, 1948, to Shareholders of Record at the close of business on June 1, 1948.

By Order of the Board.

L. B. POPHAM,
Secretary.

May 13, 1948,
Toronto, Ontario.

Grain Prices

Winnipeg Grain Futures

Week to May 17, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close May 17
		Oats			
.85½	.72	May	.95⅝	.92	.94⅝
.85½	.68½	July	.90⅝	.85¼	.88
.83⅞	.66⅝	Oct.	.82⅝	.78⅝	.80⅛
		Barley			
1.35⅝	1.06	May	1.19⅝	1.17⅞	1.19⅝
1.17½	1.01¾	July	1.17½	1.14	1.16⅛
1.25¾	.98½	Oct.	1.06⅝	1.05½	1.06⅛
		Rye			
4.73	3.60	May	...	...	4.73
3.93½	3.01	July	3.76	3.56	3.64
3.05¼	1.68	Oct.	2.06¼	2.01	2.01⅛

Cash Quotations

	For Week May 17 High	Low	Prev. Week High	Low
Oats				
2 C. W.	.94⅝	.92⅝	.92½	.91⅜
3 C. W.	.91⅝	.90⅝	.90⅝	.89⅜
Barley				
1 Feed	1.16⅛	1.13½	1.14⅛	1.13⅜
2 Feed	1.12⅛	1.09½	1.10⅛	1.09⅜
Rye				
2 C. W.	4.75	4.34	4.37	4.10

$400 Millions ECA to U.K. But Quota May Be Pared

OTTAWA, (Staff)—First quarter allocation this week to United Kingdom of $300 millions in gifts and $100 millions in loans, under ECA, is rated here as a matter of greatest importance to Canada and to the probable disposition of Canadian food and other contracts with the U. K. The money (in U. S. funds) is to cover European aid for the three months ending June 30. According to U. K. figures, this allocation, if continued through a full year still would be short by $500 millions or $600 millions, of what British experts say they will require to make ends meet. U. S. officials have also warned that the first quarter allocation is high, and that recipient countries should not expect so large a sum in subsequent quarters.

This probable "gap" between what the British expect to receive, and what they say they require from U. S. and western hemisphere countries, may ultimately determine the fate of Canadian food and other contracts with U. K.

The British are also reported to be surprised and concerned to find an arbitrary distribution as between loans and gifts. It was known that some of the ECA funds would be in the form of a loan rather than an outright gift. It has apparently come as something of a shock to U. K. to find a rigid breakdown for the first quarter, with one quarter of the entire commitment set down as a loan.

Hasty Action Unlikely

So far as Canadian contracts are concerned, it is not expected that, at this stage, the British will take hasty action—even if they believe that ultimately they are going to run short of dollars on the present or projected basis. Important discussions are yet to be held on the whole British position—especially with regard to aid for the sterling area. No doubt the return recently of W. Averill Harriman to Washington after a hurried visit to London and Paris may facilitate decisions on this and other important matters bearing on the British position.

On the other side of the picture, the $400 million allocation for U. K. is said to be somewhat higher than had been anticipated. Earlier estimates of available ERP funds by countries, had greatly depressed British experts, who saw a very considerable gap between their probable needs and the amount of aid available.

Amounts so far allocated to individual countries for the quarter April 1 to June 30 are:

E.C.A. ALLOCATIONS, FIRST QUARTER ENDING JUNE 30, 1948
(In Millions of Dollars)

	Grants	Loans	Total
U.K.	300	100	400
France	300	75	375
Italy	140	25	165
Netherlands	80	25	105
Austria	70	..	70
Denmark	10	10	20
Norway	5	15	20
Belg'm-Luxem.	3	17	20
Ireland	..	10	10
Iceland	..	1	1
	908	278	1,186

Neither Switzerland nor Sweden is scheduled to receive ECA assistance in the first year. Allotments to additional countries are to be announced later.

Here is Dominion's Offer On National Health Plans

OTTAWA (Staff)—Last Friday, Rt. Hon. W. L. Mackenzie King laid a $30-million keystone to crown a lifetime work in the field of social security legislation.

The keystone was 10 "first steps" toward nationwide health insurance in Canada.

Whether any additional legislation will be introduced before the National Liberal convention or before the next Federal election, is not yet clear. Tentatively, the answer is reported to be "no."

The significant fact is that Mr. King can now look back and say that he has rounded out his long tenure of office by setting the Federal Government's footsteps firmly along the road toward a nationwide health program.

$65 Millions for Hospitals

The most important move announced last week was the outright grants for new hospital construction. Estimated cost to Ottawa over a five-year period is $65 millions to underwrite an additional 40,000 beds. It is expected that the Federal contribution will be matched dollar for dollar by the provinces, and the remainder put up by municipalities. Assuming the new construction is split about equally between active treatment and "chronic" or active bedroom facilities, this forecasts a potential new construction valued at $300 millions at least.

This proposal is at most entirely new, as compared with the original Federal proposals of 1945 made prior to the Dominion-Provincial conference. At that time assistance by way of loans was offered the provinces. The new outright grants reflect a realization that there must be greatly increased hospital facilities before any nationwide health scheme or even additional provincial plans are introduced.

The new proposed Federal grants are given without strings to all provinces irrespective of Dominion-Provincial tax agreements. Back in 1945 additional aid from Ottawa in these fields was looked on as something to sweeten the pot and induce provinces to sign a long-term tax rental plan.

There seems to be general agreement that to have continued along this line and make offers only to provinces which signed up would have been interpreted as a narrow and vengeful approach. Come what may of further tax arrangements, the fact that Mr. King in his crowning gesture has taken a broad view of his responsibilities is something for which he himself and his Cabinet may be given pretty high marks.

Details of the Program

Highlights of the new Federal proposals follow:

1—Outright grants for the construction of additional hospital accommodation on the basis of $1,000 a bed for active treatment beds and $1,500 a bed for chronic or convalescent beds. These will total $13 millions a year.

2—A nonrecurring grant of $625,000 for health surveys, to be divided on this basis; $50,000 to each province, the remainder to be divided among the provinces on the basis of population, with the proviso that no province gets less than $15,000.

3—An annual grant of 35 cents per capita to strengthen the general public health services in deficient areas, the payment to be increased five cents yearly until it reaches 50 cents per capita. The commitment for the first full year will be $4,404,000.

4—An annual grant of $3 millions rising to $4 millions over a period of years, for tuberculosis control and to extend progressively the area of free treatment.

5—An annual grant of $5 millions rising to $7 millions over a period of years for mental health care.

6—An increase of $275,000 in the present annual grant of $225,000 bringing the total to $500,000 for venereal disease control.

7—An annual grant of $500,000 for the prevention, control and treatment of crippled children.

8—An annual grant of $500,000 to help train public health personnel, such as health officers, nurses and ward aides.

9—A grant of $100,000 to increase by $100,000 a year until a peak of $500,000 is reached, for public health research.

10—An annual grant of $3.5 millions to develop and provide the "most active possible diagnostic and treatment services" for the control of cancer.

Here Are Detailed Tariff Changes On Cottons, Textiles in New Budget

Following are the tariff changes affecting cotton and textiles in the budget:

523 Woven fabrics, wholly of cotton, not bleached, mercerized nor colored, n.o.p.	Free	.....	25%	15%	15%	25
and, per pound		3 cts.	4 cts.		3 cts.	4 cts.
On and after April 1, 1949	15%	15%	25%			
and, per pound		3 cts.	4 cts.			
523a Woven fabrics, wholly of cotton, bleached or mercerized, not colored, n.o.p.	Free	.....	27½%	17½%	17½%	27½%
and, per pound		3 cts.	4 cts.		3 cts.	4 cts.
On and after April 1, 1949	17½%	17½%	27½%			
and, per pound		3 cts.	4 cts.			
523b Woven fabrics, wholly of cotton, printed, dyed or colored, n.o.p.: (i) Valued at more than 80 cents per pound	Free	.....	32½%	17½%	17½%	32½%
and, per pound		3 cts.	4 cts.		3 cts.	4 cts.
On and after April 1, 1949	17½%	17½%	32½%			
and, per pound		3 cts.	4 cts.			
(ii) Valued at 50 cents or more but not more than 80 cents per pound	Free	5%	32½%	17½%	22½%	32½%
and, per pound		3 cts.	4 cts.		3 cts.	4 cts.
On and after April 1, 1949	17½%	22½%	32½%			
and, per pound		3 cts.	4 cts.			
(iii) Valued at less than 50 cents per pound	Free	7½%	32½%	17½%	25%	32½%
and, per pound		3½ cts.	4 cts.		3½ cts.	4 cts.
On and after April 1, 1949	17½%	25%	32½%			
and, per pound		3½ cts.	4 cts.			
(iv) Woven fabrics, wholly of cotton, commonly known as denims, when imported by manufacturers for use in their own factories in the manufacture of garments	Free	.....	32½%	17½%	17½%	32½%
and, per pound		3 cts.	4 cts.		3 cts.	4 cts.
On and after April 1, 1949	17½%	17½%	32½%			
and, per pound		3 cts.	4 cts.			
523e Woven fabrics wholly of cotton with cut pile, n.o.p.	Free	10%	32½%	15%	25%	32½%
and, per pound		3½ cts.	4 cts.		3½ cts.	4 cts.
On and after April 1, 1949	15%	25%	32½%			
and, per pound		3½ cts.	4 cts.			
523j Shadow cretonnes, wholly of cotton, with printed warp and plain weft	Free	15%	32½%	10%	25%	32½%
and, per pound		3½ cts.	4 cts.		3½ cts.	4 cts.
On and after April 1, 1949	10%	25%	32½%			
and, per pound		3½ cts.	4 cts.			
523k Gabardines, wholly of cotton, with not less than 280 ends and picks of ply yarn per square inch	Free	15%	32½%	10%	25%	32½%
and, per pound		3½ cts.	4 cts.		3½ cts.	4 cts.
On and after April 1, 1949	10%	25%	32½%			
and, per pound		3½ cts.	4 cts.			
523l Woven fabrics, wholly of cotton, composed of yarns of counts of not less than 80 and not more than 99, including all such fabrics in which the average count of the warp and weft yarns is not less than 80 and not more than 99	Free	7½%	32½%	12½%	20%	32½%
and, per pound		3 cts.	4 cts.		3 cts.	4 cts.
On and after April 1, 1949	12½%	20%	32½%			
and, per pound		3 cts.	4 cts.			
524a Fabrics with cut weft pile, wholly of cotton or of cotton and synthetic textile fibres or filaments	Free	20%	32½%	5%	25%	32½%
and, per pound		3½ cts.	4 cts.		3½ cts.	4 cts.
On and after April 1, 1949	5%	25%	32½%			
and, per pound		3½ cts.	4 cts.			
532b Woven fabric, wholly of cotton, for covering books	Free	12½%	35%	15%	27½%	35%
and, per pound			4 cts.			4 cts.
On and after April 1, 1949	15%	27½%	35%			
and, per pound			4 cts.			
561 Woven fabrics wholly or in part of synthetic textile fibres or filaments, not to contain wool, not including fabrics in chief part by weight of silk, n.o.p.	Free	5%	45%	22½%	27½%	45%
and, per pound		40 cts.	40 cts.		40 cts.	40 cts.
On and after April 1, 1949	22½%	27½%	45%			
and, per pound		40 cts.	40 cts.			

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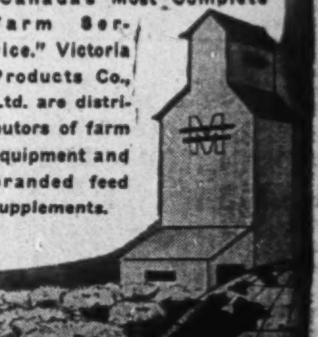

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Will Canadair Succeed as Planemaker?

First Year's Business Shows Company Off to Good Start

MONTREAL (Staff) — While virtually the whole of the North American aircraft industry was hanging on for dear life last year, Canadair Ltd., finished the year breathing easily. According to the annual statement of its parent, Electric Boat Co., Canadair Ltd. had net sales of $18.2 millions or about 67% of Electric Boat's total net sales. How much of this was brought down to net profits was not reported. (On a consolidated basis Electric Boat had preliminary net profits of $598,845 out of total net sales of $26.9 millions.)

Actually, any net profit which Canadair could show would be good business when placed alongside some of the 1947 showings of U. S. aircraft makers. Practically all of the big U. S. producers lost money last year. And most of them, grasping at straws, turned to the manufacture of velocipedes, rowboats, caskets and artificial limbs, to name only a few. Only since publication of the Finletter Report have the fortunes of U. S. plane makers started looking up.

Against this depressing U. S. backdrop in the aircraft industry, Canadair can almost claim a star performance. Probably the most important reason why it showed up so well was that it had what its U. S. counterparts did not get—government orders. From the RCAF, Canadair had orders for 24 C-54GM's (North Star military version). TCA ordered 20 DC-4M2's (pressurized North Star). In addition the company did a brisk business in aircraft conversions and parts for DC-3's.

Parts Boost Sales

Figures have not been published but it is probably safe to say that over half of its $18 millions in sales was accounted for by the parts division. From the standpoint of the Canadian economy generally this means that the company probably earned in the neighborhood of $6 to $9 millions U. S. dollars, since nearly all of the parts and reconversion jobs were paid for in this currency.

On its first year's record it looks like Canadair has won its spurs under private ownership. If it has and can keep them securely strapped on, much of the credit will go to Hiram Oliver West, president and general manager. Since West first took charge at Canadair, the pressure has been on to "make good." The "make good" was not for West personally (he came to Canadair with a fine executive record at Boeing) but on behalf of the Canadian aircraft industry; to say nothing of the parent company. And some observers still think the future of Canada's aircraft industry rests to an important degree on the success of Canadair as a plane-maker. Others take the view that all Canada will benefit if Canadair can stay active and become a permanent part of the Canadian aviation picture.

Before Electric Boat Co. purchased Canadair and put up $2 millions in working capital, the Canadian Government had experienced all kinds of difficulty getting its North Star plane into the air. Costs had run up in the production of the prototype, it was stated, and the plant had not been able to pull itself into efficient working order. Soon after West arrived on the job he rearranged the main plant to create the most efficient working conditions and trimmed off the expensive loose ends. At the same time President West was called on to make good for Electric Boat Co. which is primarily a submarine builder and makes no aircraft itself.

Has Young Staff

Mr. West is no novice at the business of plane-making. As executive vice-president of Boeing Aircraft Co. in Seattle, he was a leading figure in the wartime production of both the B-17 Flying Fortresses and the B-29 Superfortresses. To help him run Canadair he has assembled a staff of young executives who are themselves veterans in the fast-growing aircraft industry.

Theodore Jonathan Emmert, for example, who was recently appointed a vice-president and director is also an ex-Boeing man. His background includes 12 years of aircraft experience ranging from factory operations through procurement and general administrative executive responsibilities. At Canadair, Mr. Emmert, 32, is responsible for engineering, contract administration, spare parts, sales, industrial engineering, inspection and purchasing activities.

Another such is assistant to the president and factory manager R. A. Neale. He is the man West counts on to keep the production line running smoothly and planes delivered on schedule. His background in the business goes back to early 1929. Since then he has operated Boeing's Vancouver plant and was under West in the production of 9,000 Flying Fortress and Superfortress planes.

While Canadair has passed its first year safely the question arises: what of the future? At the present rate of delivery the company will complete its RCAF and TCA orders this month. Vice-president Emmert recently announced that all of the 24 North Stars ordered by the RCAF and 15 of the 20 ordered for TCA had been delivered. Will there be more military orders? Nothing to this effect has come out of Ottawa yet. And TCA is likely to put its new planes to work earning money before buying many more.

H. O. WEST
president and general manager

T. J. EMMERT
vice-president and director

Out Looking for Orders

Canadair men, however, have not been sitting back waiting for government orders. During the past year President West and his top-flight salesmen have been literally flying around the world, interesting customers in the company's Canadair Four, close cousin of the North Star. The Financial Post understands several countries have indicated they would like to purchase the plane if they could find the hard currency to pay for them.

There is one order which Canadair would particularly like to land and which would put Canadair in the clear for many months to come. That is one from British Overseas Airways Corp. which, it is said, is interested in buying. At present the question is being discussed at high British Government level. The British-made Rolls Royce Merlin engines which power the Canadair Four probably make the plane more attractive to U. K. buyers. It is the only plane made outside of United Kingdom which has any appreciable sterling content. If this order comes through it will probably mean a doubling of the present 4,000 workers employed by Canadair.

According to President West, the North Star is "substantially equal in performance to the best comparable airplane offered anywhere in the world and in many respects superior."

Its "refined" cousin, the Canadair Four (C-4), is said to be still better. This is a plane which the company has developed to meet the need for a general purpose transport. To do this Canadair has made a plane which, it says, can operate efficiently and economically over short, medium and long routes and under widely varying operating conditions.

Canadair's Planes

Offered for sale first in the summer of 1947, the C-4 is a pressurized, four-engine transport aircraft with a gross weight of 80,200 pounds and a maximum cruising speed of 345 mph. (Lockheed's Constellation has a speed of around 298 mph.) The Standard passenger version has seating capacity for 40 passengers but the interior can be switched around to provide more seats or fewer as a combination day-plane and sleeper. Various cargo versions of the C-4 are said to provide huge payload capacities over the same ranges as the standard passenger transport model.

Like the DC-4, DC-6 and the North Star, the Canadair Four is based on the Douglas C-54 design. Each company, however, has gone its own way and developed designs which it felt could best meet the needs of its customers. The North Star and the Canadair Four incorporate features from the DC-4 and the DC-6. This combination, it is claimed, gives the plane the performance of the DC-6 but retains the economy and time-proved dependability of the C-54 type.

This, then, is the plane which Canadair hopes to sell to BOAC. Actually there is more involved than the profit to be realized from the sale. If the order is given to Canadair it would give the company the cash to carry on more extensive research on its own. (Canadair now builds its planes under Douglas licences for DC-4 and DC-6 designs.) This could result in a completely Canadian designed and built transport plane. It might also mean that Canadair would start looking at jet engines.

Parts and Reconversion

While the BOAC order is undoubtedly important to Canadair's future operations, it is not the be-all and end-all. Canadair still has its parts and reconversion business. Actually, Canadair, even before the present owners took over, had a world-wide business as a parts producer. This phase of the company's operations started during the war with the manufacture of parts, subassemblies and major components of PBY planes under a subcontract with Consolidated-Vultee Aircraft Corp. Later it started making component parts for Mosquito aircraft.

A good stroke of business was when Canadair purchased large amounts of C-47 spare parts from factories in United States and built up a substantial inventory. This has enabled the present company to fill orders for parts for C-47 and DC-3 planes throughout the world.

With substantial inventories of many parts on hand and several million dollars worth in process of manufacture, Canadair continues as a leading supplier of these parts. In its conversion plant warehouses the company handles, inspects, fabricates and assembles spare parts for shipment to governments and airlines. With the lowering of the tariffs on parts from 30% to 15% following the Geneva Tariff Agreement, Canadair has entered the big U. S. airline parts market. Canadair is already doing a substantial parts business with the United States Government. Annual volume of this business in United States is estimated at around $5 to $7 millions. And Canadair can undoubtedly compete with U. S. parts manufacturers on a price basis. With plenty of experience in parts manufacture plus a demonstrated ability to produce quickly and economically Canadair may pick up an important part of the U. S. parts business.

Yes, these famous cigarettes are a sight to delight the eyes of any connoisseur! And they're better than ever today . . . because every Sweet Cap you smoke is now checked, right from plantation to you, by the exclusive process known as "Perfection . . . Check √"—checked to ensure you a cigarette that is *nothing short of perfect* . . . in freshness . . . in smoothness . . . in taste.

Perfection... Check√

SWEET CAPORAL
CIGARETTES

Ottawa Orders 1,918 'Prefab' Bathroom Units

St. Catharines Steel Products, St. Catharines, Ont., is the plant that made 1,100 prefabricated bathrooms for Montreal's recently opened Laurentien Hotel.

Now it is humming on a big order for the Dominion Government's Central Mortgage & Housing Corp., Wartime Housing division.

Of an order for 418 factory-built bathrooms — St. Catharines Steel calls them "Unitility" — for CMHC's Mann Ave., Ottawa apartment project, about half have been delivered, and many installed by W. G. Edge Ltd., local plumbing and heating contractor.

In addition 1,500 more are on order, mostly for individual new "wartime" houses in Ontario and Quebec. No order in such quantity would be considered a trial order and it's widely expected in building and plumbing circles that Ottawa will offer St. Catharines further substantial business.

Price to the Government isn't disclosed.

Central Mortgage recently has moved in one other direction toward more emphasis on prefabrication. The government agency in recent weeks placed orders with the Halliday Co., Burlington, Ont., for 105 semiprefabricated houses—mostly precut materials in marked sets, but also some ready-to-assemble panel houses. It will be recalled that Windsor, Ont., city council recently rejected CMHC's proposal that such houses be erected there as part of the 1946 "wartime" housing construction program.

Earlier, Central Mortgage awarded a contract for 60 prefabricated houses to Merrill Muttart's Engineered Buildings (Alberta), of Calgary, for assembly at Leduc, new Alberta oil town.

Death Crossings Get New Attention

Canada's Board of Transport Commissioners has agreed to pay $75,000 toward the estimated $150,000 cost of a steel and concrete bridge to be built by Forest Hill Village over a CNR spur line at the head of Spadina Rd., near Toronto.

In the offing for Canada may be more of such "grade separation" projects jointly financed by Ottawa and the municipalities. Transport Minister Lionel Chevrier now has before the Commons Bill 201, a measure to increase the Dominion Government's railway grade crossing fund 150% from $200,000 to $500,000 a year for 9 years retroactive to April 1, 1948. There are many projects before the Transport board involving substantial grants from the fund.

The year was 1835 . . .

. . . over 32 miles of primitive roads and tangled woodland trails *walked* six Canadian pioneers . . . arguing fiercely as they went. Their purpose: *to kill each other's vote!*

Yes, these six early settlers knew they were evenly divided in opinion . . . that *three* would vote for one candidate Dr. William Dunlop, The Canada Company's man . . . and *three* would vote for the other candidate, Col. Anthony Van Egmond. Yet they made the gruelling march to Goderich, Ontario, there to cast their ballots in the 1835 election of The Upper Canada Legislative Assembly. Not one of the six said *"There's no use my going—my vote will be killed."*

When YOU cast your secret ballot at every election—municipal, provincial, federal—you exercise a duty and privilege planned, worked and fought for by your forefathers. Your vote protects the future of your children. To fail in this duty is to be less than a good citizen.

PUBLISHED IN THE INTERESTS OF GOOD CITIZENSHIP BY

Gooderham & Worts
LIMITED
Distillers · Toronto
Established 1832

Waterfront of the Town of York (now Toronto) in 1832
Gooderham & Worts Mill in foreground.

FINANCIAL STATEMENT AND DIRECTORS' REPORT

DOMINION WOOLLENS & WORSTEDS, LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1947

ASSETS

CURRENT:		
Cash on hand and in banks	$ 5,907.91	
Accounts receivable	756,172.76	
Inventories of finished goods, goods in process, raw materials and supplies on hand and in transit, as determined and certified by the management and valued below cost which is below market (referred to in more detail in the report of the Directors to the Shareholders)	2,302,625.47	$3,064,706.14
Mortgages receivable from employees		18,890.38
Investments in and advances to subsidiary company: Woodsdale Properties Limited—		
Shares at cost	$ 9,975.00	
Advances	42,352.40	52,327.40
Refundable portion of excess profits taxes		38,420.05
Fixed:		
At depreciated replacement values in 1928 as certified by the Canadian Appraisal Company Limited, comprising land, buildings, houses, plant and equipment less amounts written of, plus subsequent additions at cost	$4,610,444.56	
Less: Reserve for depreciation	2,441,876.77	2,168,567.79
Unexpired insurance and other deferred charges to operations		30,305.87
		$5,970,717.92

LIABILITIES

CURRENT:			
Bank loan—secured		$ 332,000.00	
Accounts and bills payable and accrued liabilities		815,747.88	
Dividend payable		36,418.80	
Bond and debenture interest accrued		36,332.30	
First mortgage serial bonds maturing 1st February, 1948		50,000.00	
Dominion Government—amount refundable on war contracts (after deduction of related and other prior year income and excess profits taxes recoverable and other sundry adjustments)		46,497.35	
Income and excess profits taxes, estimated, less instalments paid on account		35,000.00	$1,295,516.43
FUNDED DEBT:			
First mortgage serial bonds:			
Authorized — $2,800,000.00			
Issued — 700,000.00			
Outstanding (less bonds maturing 1st February, 1948) 3½% and 4%, maturing 1949-1954		$ 500,000.00	
Redeemable sinking fund debentures 5%, maturing 1964:			
Authorized and issued .. $1,270,200.00			
Less: Redeemed under terms of Trust Deed	146,100.00	1,124,100.00	1,624,100.00
Reserve for bad debts			81,351.34
Reserve for contingencies			200,000.00
Reserve for inventory price decline under the Excess Profits Tax Act — (an additional amount has been claimed in 1947 for excess profits tax purposes)			307,042.00
CAPITAL AND SURPLUS:			
Common stock:			
Authorized — 155,000 shares of no par value			
Issued — 147,283 shares, fully paid		$ 917,548.00	
Earned surplus, per statement attached		975,160.25	1,892,708.25
			$5,970,717.92

Signed on behalf of the Board: HENRY BARRETT, Director. J. A. GAIRDNER, Director.

DOMINION WOOLLENS & WORSTEDS, LIMITED,
Toronto, Ontario.

We have examined the above Balance Sheet of Dominion Woollens & Worsteds, Limited, as at 31st December, 1947, and the related Statements of Earned Surplus and of Income and Expenditure for the year ended on that date. In connection therewith we made a general review of the accounting methods of the company and examined or tested accounting records and other supporting evidence to the extent that we deemed appropriate without making a detailed audit of the transactions. We have received all of the information and explanations we have required.

In accordance with Section 114 of the Dominion Companies Act, we report that the net loss amounting to $3,787.72 incurred by the subsidiary company for the year ended 31st December, 1947, has not been provided for in the accounts of the holding company, Dominion Woollens & Worsteds, Limited.

Subject to the foregoing and to the comments contained in the Directors' report to the Shareholders dated 1st May, 1948, in our opinion the above Balance Sheet and related Statements of Earned Surplus and of Income and Expenditure are properly drawn up so as to exhibit a true and correct view of the affairs of the company as at 31st December, 1947, and the result of its operations for the year ended on that date, according to the best of our information and explanations given to us and as shown by the books of the company.

P. S. ROSS & SONS, Chartered Accountants.

TORONTO, Ont., 3rd May, 1948.

STATEMENT OF EARNED SURPLUS
For the Year Ended 31st December, 1947

Balance at credit, 1st January, 1947			$ 845,512.93
Prior year adjustments: Deduct:			
Additional income and excess profits taxes	$ 43,613.01		
Less: Miscellaneous credits	20,094.09		23,518.92
Adjusted balance at credit, 1st January, 1947			$ 821,994.01
Net profit for the year ended 31st December, 1947, after provision for income and excess profits taxes	$ 267,583.76		
Net profit (after charging $28,352.35 to depreciation reserve) on land, buildings, houses and equipment sold or scrapped in 1947	5,489.48		
	$ 273,073.24		
Deduct: Premium on redemption of company's own bonds	2,235.00		270,838.24
			$1,092,832.25
Deduct: Dividends declared			117,672.00
Balance at credit, 31st December, 1947			$ 975,160.25

Submitted with our report dated 3rd May, 1948.
P. S. ROSS & SONS, Chartered Accountants.
TORONTO, Ont.

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended 31st December, 1947

Profit from operations, after charges of $69,859.00 for remuneration of executive officers and salaried directors and solicitors' fees, $12,917.00 for directors' fees, and provision of $462,792.00 for inventory price decline, and before providing for the undernoted charges		$704,622.64
DEDUCT:		
Provision for depreciation	$165,000.00	
Bond and debenture interest	79,538.88	244,538.88
Net profit from operations		$460,083.76
DEDUCT: Provision for income and excess profit taxes		192,500.00
Net profit transferred to earned surplus		$267,583.76

Submitted with our report dated 3rd May, 1948.
P. S. ROSS & SONS, Chartered Accountants.
TORONTO, Ont.

DISTRIBUTION OF SALES DOLLAR — 1947

For Materials and Supplies (includes special provision for inventory price decline)	38.0c
Wages, Salaries and Employee Benefits	37.8c
Plant Maintenance and Repairs	5.9c
Other production expenses—Fuel, Power, Insurance, etc.	7.3c
Selling, Delivery and Administration Expenses	1.6c
Financial Costs—Bond, Debenture and Bank Interest	1.9c
Federal, Provincial and Municipal Taxes	2.9c
Dividends to Shareholders	1.6c
Put back into the business in new machinery and equipment and expansion of facilities	3.0c
Total	$1.00

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting herewith the Nineteenth Annual Report of your Company, showing Statement of Assets and Liabilities, Income and Expenditure, and Earned Surplus Account, and the Auditors' Report for the year ended December 31, 1947.

The year 1947 was a very active one. The physical volume of production increased and was close to capacity. The dollar value of sales showed an increase of 50% over the year 1946. The wartime direction of your Company's affairs which had been partially relaxed in 1946 ceased as from April 1st, 1947. For nine months of the year under review operations were carried on under normal operating conditions and with improved earnings.

Your Directors feel that provision should be made against a decline from the abnormally high price of wool now prevailing. Accordingly the inventories, which in the past were valued at the lower of cost or market, have been reduced to price levels considered sound under present conditions. This reduction is reflected in a special charge of $462,792 in the Statement of Income and Expenditure and has the effect of pricing the wool content at the subsidized levels established for wools during the war period by the Wartime Prices and Trade Board which were in effect until early in 1946. The resulting net profit transferred to Surplus Account for the year under review amounts to $267,584 as compared with $101,149 for the previous year.

Inventories are carried at minimum physical levels required for full production.

Total current or working assets at December 31, 1947, as shown on the Balance Sheet, amounted to $3,064,706 and current liabilities stood at $1,295,516 leaving net working assets of $1,769,190. This is after reducing the inventories to the price level indicated earlier in this report but as will be observed the Reserve for Inventory Price Decline under the excess Profits Tax Act, which in previous years was taken as a deduction from Inventories, is this year shown in the liability section of the Balance Sheet.

Wages have again been increased considerably during the past year to keep ahead of the rising cost of living.

Your Company's products have secured a favoured position in the Canadian market during the past several years and a good demand for the same should continue throughout 1948. Production and sales are continuing on a full capacity basis.

The plants of your Company have been maintained in good condition, and expenditures during the year on capital replacement amounted to $305,000.

Income and Excess Profits Taxes in respect of 1940 and subsequent years have not been finally determined, but the provisions made for the years 1940 to 1946 inclusive are considered adequate. In connection with the year under review the adjustment in inventory valuations referred to above has been treated as a charge to operations and the liability for Income and Excess Profits Taxes does not include any provision for disallowances which may be effected by the Department of National Revenue in this connection.

The loyalty and efficiency with which the employees of your Company have discharged their duties during the past year are herewith gratefully acknowledged by your Directors.

It is with profound regret that your Directors record the death of one of their number during the past year, Mr. G. D. Perry, who has been associated with your Company since its inception.

Respectfully submitted,
JOHN W. HOBBS,
Chairman of the Board.

TORONTO, Ont., May 1, 1948.

THIS WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING MAY 14

[illegible]

Mining Stocks

Week Ended May 14

[illegible]

Oil Stocks

Company	Sales	Last May 7	High	Low	Close
Royalite	200	18.25	18.00	18.00	18.00
S. West Pete	13,455	.40	.50	.40	.50
Spooner	1,000	.15	.17	.17	.17
Sunset	300	.09	.08	.08	.08
Superior	15,000	.31	.33	.32	.32
United Oils	600	.10	.10	.09½	.10
Vanalta	3,000	.16½	.16	.15½	.15½
Vulcan	3,005	.22	.30	.22	.29
Wellington	1,000	.07	.07	.07	.07

* N. Y. Funds. x Extra ‡ Paid in 1946. ‡ Capital Repayment. § Paid in 1947. † Paid or payable in 1948. ♦ Dividend deferred.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
May 17	332,500	1,190,000	260,843	249,879	3,860,000
May 15	190,900	889,000	168,518	94,255	3,330,000
May 14	322,300	1,314,000	......	195,576	4,700,000
May 13	263,200	916,000	235,204	......	2,490,000
May 12	208,000	747,000	75,405	95,620	1,890,000
May 11	236,100	882,000	93,410	75,155	2,260,000

Dividends Declared

[illegible]

Dividends Declared (cont'd)

Company	Rate	Date payable	Date of record
Wellington Fire Ins.	1.75	Aug. 16	Aug. 12
Geo. Weston	.25	Jul. 2	Jun. 10
Do. pfd.	1.12½	Jun. 1	May 14
Wilsil Ltd.	.25	Jul. 2	Jun. 7
Winnipeg Elec.	.50	Jun. 30	May 14
Do. 5% pfd.	1.25	Jun. 30	May 14
Woods Mfg.	.50	Jun. 30	May 31
Wool Combing	.40	Jul. 10	Jun. 25

†N. Y. funds. *Initial.
♦After 5-for-1 stk. split.
§Initial div. for per. Mar. 8-Jun. 1.
‡After 2-for-1 stk. split.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$17.38	$17.20	$14.70
Hogs	28.60	28.60	21.60
Copper, lb.	.21½	.21½	.21½
Sugar, raw, lb.	.0460	.0467	.06185
Coffee, lb.	.26½	.26½	.23½
Hides	.30½	.30½	.25
Weekly Indices			
U. S. Labor	161.9	162.6	146.7
Dow Jones	148.19	147.32	130.61
Fishers	169.3	169.4	159.9
Monthly Indices			
Retail (Apr.)	151.6	150.8	130.6
W'sale (Mar.)	146.9	147.3	120.4
U. S. (Feb.)	160.7	165.6	144.6
Gt. Brit. (Jan.)	212.1	203.3	181.6

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
♦Dom. Coal 1st mtge. ser. & ser. 1939	4½%	[illegible]	Jun. 1	101
‡Lake St. John Pr. 1st mtg. ser. A	5½%	1961	Jul. 1	102
‡Moirs 1st mtge.	6%	1953	Jul. 1	100
♦Sao Paulo Elec. 1st mtge. s. f.	5%	1962	Jul. 1	par

‡All outstanding.
♦$[illegible],700.
♦$442,000.

Company Meetings

1948	Company	Place
May 20	Can. Machy.	Galt, Ont.
May 22	Duquesne Min.	Noranda, Que.
May 25	Assoc. Tel.	Wilmington, Del.
May 25	Gunnar Gold	Toronto
May 26	Inter City Baking	Montreal
May 26	Nipissing Mines	Toronto
May 27	Tuckett Tobacco	Hamilton
May 31	Jason Mines	Toronto
May 31	Montreal Isl. Pwr.	Montreal
June 16	Anglo-Nfld.	Grand Falls, Nfld.

Stocks Not Traded This Week (Continued)

Company	Div. rate	Last sale	May 14 Bid	May 14 Ask
Gold Lake	...	.01½	.01½	.03
Gold Pan	...	.18½	..	..
Goodfish	...	.04	.02½	.03
Gt. Falls M.	...	.00½	.02	.03
Grull Wihksne	...	.04	.04	.04½
Hallnor Mines	.25	3.70	3.70	4.00
Hudson R.	...	.03	.05	.07
Int. Mining	...	4.75	..	..
Island Lake	...	.00½	.00½	.02
Jacola	...	.02	.02½	.04
Jellicoe	...	.05	.03	.05
Kerr Lake	1.05	.50	.75	..

[illegible]

OIL STOCKS

[illegible]

STOCKS NOT TRADED THIS WEEK

Company	Div. rate $	Last sale	May 14 Bid	May 14 Ask
Montreal Rg.&S.	.30	22½	22½	24
Montreal Tele.	‡1.92	47½	..	47½
Moore Corp. pf. A	♦7.00	286	280	..
do. pref. B	♦7.00	429	420	..
do. pref. 4%	1.00	25½	26	25½
Morrison Brass	...	3	3½	4
Mt. Royal Rice	.50+†.08	10	9½	10
Murphy Paint	.80	22½	22	23
Nat. Hosiery B	†.30	10½	10½	12
National Trust	1.00	26	26	28½
Neon Pr. of W.C.	.50+†.10	12½	12½	..

[illegible]

*Paid in 1946. †Paid or payable in 1948. ♦Paid in 1947. ♦♦For each 20 sh. held. ♦Dividend deferred.

Mining Stocks

[illegible]

†Paid or payable in 1948. ‡Paid in 1947. ♦Dividend deferred. *N.Y. Funds.

Government Bonds

May 18, 1948 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Jun 1951 ...	103½	104
3	Mar. 1954 ...	103¾	104¼
3	Nov. 1956 ...	103¾	104¼
3	May 1957 ...	102¾	103¼
3	Jan. 1959 ...	101½	102¾
3	June 1960 ...	101½	102
3	Feb. 1962 ...	100½	101¼
1½	Nov. 1950 ...	100½	101
3	Oct. 1963 ...	100½	101
3	Sept. 1966 ...	100½	101
1½	Nov. 1949 ...	100¾	100¾
1½	Nov. 1948 ...	100	100¾
Dom. of Canada Bonds:			
2½	Nov. 1951 ...	100¾	101¾
2½	Feb. 1952 ...	103	103¾
3	Oct. 1952 ...	101¾	102¾
3	June 1955 ...	101¾	102¼
3	June 1958 ...	101¾	102¾
4½	Nov. 1959 ...	104	104¾
2½	June 1966 ...	102¾	103¼
3	Perpetual ...	99	99¾
4½	Nov. 1958 ...	101¼	101¾
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	100¾	101¼
4½	Sept. 1951 ..	*106½	*108
4½	Feb. 1956 ..	*111¼	*113
4½	July 1957 ..	*113¼	*115
4¾	June 1955 ..	*111¾	*113¾
5	Oct. 1969 ..	*108¼	*109¼
5	Feb. 1954 ...	112¼	114
5	Feb. 1970 ..	*108¼	*110
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	*112	*114

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	*100	*102
4	Jan. 1962 ..	*110½	*113
Montreal Harbour Com.:			
5	Nov. 1969 ..	*108	*110
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64.	100½	102
3½	June 1959 ...	102	104½
3½	June 1950/72.	101½	102¾
3½	June 1950/71.	100½	102
British Columbia:			
2¾	Jan. 1967 ...	94	96
3	Dec. 1960 ...	98½	100
4½	Jan. 1969 ...	123	125
4	Dec. 1957 ...	113½	116
5	Apr. 1954 ...	118½	120½
5	Sept. 1953 ...	109	111
Manitoba:			
4	Dec. 1957 ...	113	115½
4½	Dec. 1956 ...	117	119
5	Dec. 1959 ...	124	126
2¾	Aug. 1962/64.	93¾	95¾
5½	July 1958 ...	117½	120
New Brunswick:			
4½	Apr. 1961 ...	114	116
5	Jan. 1960 ...	118	120
2¾	June 1966 ...	90¾	92
3½	Mar. 1958 ...	99¾	101
Nova Scotia:			
3½	June 1956 ...	...	...
4½	Nov. 1960 ...	120½	122¾
5	Mar. 1960 ...	125	127
3	June 1956/58.	99¾	101¼
2¾	Sept. 1966 ...	93½	94¾
3½	May 1960/62.	100½	101½

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69.	94½	96
3	Apr. 1962/65.	99½	100½
3½	May 1952/55.	102½	103¾
4	June 1962 ...	119½	122
4½	June 1950 ...	104½	105½
4½	Jan. 1962 ...	125	127
5	Oct. 1948 ...	101	102
5	Dec. 1960 ...	129	131
2¾	July 1967/76.	93½	95½
Ont. Hydro Commission:			
4	Aug. 1957 ...	115½	118
2¾	June 1961/71.	93¾	95½
2¾	Oct. 1965/68.	94½	95¾
Prince Edward Island:			
4	Mar. 1954 ...	101½	103¾
Quebec:			
3½	Mar. 1954/59.	102½	103¾
3¾	Feb. 1952/55.	104	105½
4½	Aug. 1958 ...	108¾	110½
4½	Jan. 1963 ...	114½	115¾
3	Feb. 1960/62.	100	101½
4	Nov. 1950/52.	103½	105
Quebec Hydro Com.:			
3	Feb. 1969/73.	97¾	99½
Saskatchewan:			
4	Nov. 1955/60.	99¾	101½
5	Aug. 1958 ...	106¾	108¾
4½	Mar. 1960 ...	106	108
5	Dec. 1959 ...	109½	111¾
5½	Oct. 1952 ...	104¾	107½
6	Mar. 1952 ...	105¾	108¼
3	Mar. 1963 ...	90½	92
3½	Nov. 1960/62.	92½	94½
3¾	Feb. 1960/62.	97½	99

*New York funds.

BUSINESS THIS WEEK

	APR.	MAR.	FEB.	JAN.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	....	....	244.3	256.6
Dom. total expend.	....	....	....	149.2	171.3
MERCHANDISING					
Dept. store sales index no. (1)	....	...	195.1	192.3	189.3
aRetail sales index (no.)	....	244.2	198.5	211.8	223.2
Wholesale sales index (no.)	....	....	239.5	244.5	231.4
FINANCE					
Dividend payment index (5)	195.1	194.5	193.4	192.9	159.3
Bank debits	....	....	227.5	246.8	229.4
Money supply (millions $)	....	....	746.6	7,479	7,555
NEWSPRINT CAPACITY					
aProduction ratio	102.3	99.1	99.1	98.6	101.0
aShipment ratio	101.1	97.3	95.5	92.1	102.8
RAILWAY FREIGHT LOADINGS					
aTons (D.B.S.)	214.9	221.7	186.3	205.2	218.5
aCars (D.B.S.)	170.1	160.9	159.6	172.3	158.5
COST OF LIVING					
aD.B.S.	151.6	150.8	150.1	148.3	130.6
EMPLOYMENT INDEX					
All industries	....	189.0	189.3	193.7	180.4
Manufacturing	....	202.5	200.7	199.9	194.5
Payrolls (June 1/41=100) (2)	....	188.5	185.4	178.2	163.2

	1948	1947	1948 Jan. 1 to date	1947 Jan. 1 to date	% Change
RAILWAYS—(000's emitted)					
aCarloadings (week May 8)	75.3	76.8	1,380.2	1,323.7	+4.6
C.N.R. gross rev. (Mar.)	38,651	36,350	106,670	100,276	+6.3
C.N.R. net rev. (Mar.)	2,838	4,077	1,545	5,478	—71.8
C.P.R. gross rev. (Feb.)	24,286	21,036	49,212	44,394	+10.8
C.P.R. net rev. (Feb.)	—334	1,037	—230	—840	—72.6
IRON AND STEEL (000's emitted) (Mar.)					
aPig iron production (tons)	172.7	164.4	483.8	492.3	—1.7
aSteel production (tons)	286.0	269.7	782.4	748.7	+4.1
CONSTRUCTION (000's emitted)					
Contracts awarded (Mar.)	51,350	38,353	128,500	136,516	—5.9
aCement prod., bbls. (Feb.)	1,004	726	2,012	1,579	+27.4
AGRICULTURE (000's emitted)					
Flour prod., bbls. (Mar.)	1,872	2,354	5,560	6,908	—19.5
aFlour exp., bbls. (Apr.)	918	1,114	3,778	5,081	—25.7
aWheat exp., bush. (Apr.)	5,833	7,137	34,727	37,419	—7.1
aCattle sales (April) (4)	102.4	104.5	486.3	411.0	+10.8
aHog sales (April) (4)	402.4	396.6	2,029.1	1,446.9	+40.3
SEA FISHERIES (000,000 omitted)					
Catch, lb. (Mar.)	30.4	38.9	240.0	143.4	+67.4
Landed value $ (Mar.)	1,460	1,240	5,667	3,595	+57.4
NEWSPRINT (000's emitted)					
aProduction (April)	386	369	1,490	1,453	+2.5
aExports, tons (April)	381	376	1,441	1,414	+1.9
MINING AND OILS (000's emitted)					
aCoal prod. (tons) (Mar.)	1,629	977	4,166	3,814	+9.2
aGold prod. (fine oz.) (Feb.)	262	223	536	457	+17.3
Petroleum prod. (brl.) (Feb.)	780	535	1,557	1,132	+37.6
ELECTRICAL POWER OUTPUT (000,000's emitted) (Mar.)					
Total monthly kw.h.	3,764	3,957	11,017	11,397	—3.3
FOREIGN TRADE (millions of $)					
aImports (Mar.)	197.1	206.9	585.3	559.8	+4.6
aExports (Mar.)	228.4	209.0	672.0	597.1	+12.5
FINANCE (millions of $)					
Bank debits (Mar.)	6,277	5,737	18,319	17,550	+4.4
Bond sales (Mar.)	580.5	926.1	1,641.8	1,572.4	+4.4
aLife insurance sales (Mar.)	104.7	104.1	305.2	305.7	—0.2
OTHER INDUSTRIAL FACTORS (000,000's emitted)					
Shoe prod. (Feb.)	2,706	3,300	5,157	6,432	—19.9
aCigarette cons. (no.) (Mar.)	1,189	1,214	3,789	3,670	+3.2

(1) Base period 1935-39=100. (2) All industries. aNew items for week. (4) Total at yards and plants. (5) Nesbitt, Thomson, etc.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Corp. and Kamm, Garland & Co.)

May 17, 1948

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo-Can. Tele. A	9.75	10.75
Do. pfd.	46.50	48.00
Beauharnois L. H. & Pwr.	11.00	12.00
Beauharnois Power	5.00	....
Brandram Henderson	13.50	15.50
British Mtge. & Trust	185.00	195.00
B. C. Sugar	88.00	90.00
Brockville Trust $50 par	60.00	....
Candn. Invest. Fund	4.75	5.25
Can. Investors Corp.	7.00	7.75
Canadian Motor Lamp	12.50	14.00
Can. Silk Products A	34.00	....
Can. West Nat. Gas pfd.	18.50	20.00
Capital Wire Cloth com.	11.50	....
Do. pfd.	23.00	....
Cardy Corp. A	6.50	....
Chase A. W. units	44.00	....
Colonial Steamships com.	94.00	96.00
Commercial Life 10% paid	8.00	....
Commonwealth Inter. Corp.	3.65	4.01
Contd. Life 30% paid	160.00	....
Continental Life 20% pd.	42.50	....
Cooksville A	10.00	....
Do. B	4.00	....
Corp. Investors	8.58	9.25
Cuban Can. Sugar com.	4.00	5.00
Detroit Internat. Bridge	11.25	12.75
Dover Industries Ltd.	10.50	11.50
Dunlop Tire pfd.	24.50	26.00
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% pd.	17.00	19.00
Do. 20% paid	14.50	....
Foreign Power Sec. pfd.	3.50	6.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans.	15.50	16.50
Great West Life	350.00	375.00
Guardian Realty pfd.	44.00	....
Guaranty Co. of N. Amer.	365.00	....
Guelph & Ont. Svgs. $50 p	61.00	....
Gurney Foundry pfd.	30.00	....
Hart Battery com.	7.50	8.50
Hartz, J. F., A	10.00	11.00
Halifax Ins.	13.50	15.50
Imperial Life	335.00	360.00
Interprovincial Brick A pf.	....	75.00
Do. B pfd.	....	30.00
Lambton Loan & Inv. $50 p	83.00	87.00
Laprairie com.	5.00	7.00
Do. pfd.	92.00	97.00
Loblaw Groc. Inc.	18.50	19.50
Manufacturers Life Ins.	340.00	360.00
Maxson Food System	.50	....
Monarch Life 30% paid	93.00	....
Monarch Mtge. units	5.00	5.75
Mountainview Apts. pfd.	19.00	....
Natl. Drug & Chem. c. new	7.75	8.25
Do. pfd.	11.00	12.50
New Bruns. Telephone	13.00	13.75
Northern Tel. com.	2.00	2.75
Old Comrades Brewery	1.45	1.75
Ont. & Que. Ry. 6% cap stk	135.00	....
Peller Brewing com.	6.00	7.00
Do. pfd.	20.50	....
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.40	.70
Sawyer Massey com.	1.50	2.25
Seiberling Rubber com.	5.00	8.00
Sincennes McNaught. Tugs	2.50	....
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	36.00	40.00
Standard Fuel pfd. 4%	41.00	44.00
Do. com.	2.00	4.00
Sun Life Assce.	450.00	460.00
Third Can. Gen. Inv.	3.30	....
Toronto Gen. Ins.	6.00	....
United Farmers Co-op.	2.50	....
United Steel A pfd.	24.00	25.50
Victoria Trust & Svgs.	123.00	....
Waterloo Mfg. com.	5.00	6.50
Western Assur. com.	62.00	66.00
Western Grain com.	.50	1.00
Do. pfd.	22.00	....
York Trading com.	11.50	13.50

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	16	100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.2	216.9	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	172.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	185.9	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
1948: Weekly Figures:												
Apr. 1	196.9	251.2	108.6	67.7	188.5	110.1	306.4	124.7	102.1	125.1	112.4	105.5
Apr. 8	205.3	250.2	108.6	69.3	193.0	116.0	304.1	130.6	101.6	128.9	114.2	107.6
Apr. 15	212.3	253.6	108.2	69.9	194.7	115.3	307.5	132.0	103.1	128.9	114.9	108.8
Apr. 22	215.9	264.0	111.7	72.0	201.9	117.8	323.7	135.4	101.9	127.5	119.7	111.8
Apr. 29	215.1	262.4	110.2	71.4	208.5	116.9	321.2	137.3	103.7	128.0	121.2	111.7
May 6	213.2	265.1	110.2	72.6	209.9	112.9	318.2	136.2	103.3	128.5	119.9	111.8
May 13	226.2	270.7	111.9	74.6	217.8	113.1	320.5	141.5	105.5	128.0	127.3	114.6

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
May 17	190.44	62.27	35.89	70.81
May 15	190.25	62.18	35.79	70.70
May 14	188.60	62.25	35.54	70.29
May 13	184.22	59.91	35.09	68.63
May 12	183.95	59.65	35.00	68.28
May 11	183.75	59.12	34.76	68.06
Month ago	181.05	56.46	33.77	66.38
Year ago	173.35	48.25	35.65	62.53
1948 High	191.00	62.49	36.06	71.05
1948 Low	165.39	48.13	31.65	59.89

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 17	191.44	92.42	102.60	45.57
May 15	189.65	90.67	101.57	45.59
May 14	187.60	92.12	100.45	43.75
May 13	182.07	91.49	98.49	41.33
May 12	178.61	91.58	98.57	42.23
May 11	178.89	91.83	99.00	42.59
Month ago	174.24	90.76	94.76	40.32
Year ago	160.55	96.68	77.93	34.42
1948 High	191.44	104.66	102.60	45.59
1948 Low	149.13	89.85	77.67	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
May 17	76.8	134.8	115.4	384.30	63.52
May 15	76.5	134.3	115.0	382.25	63.82
May 14	76.1	132.1	113.4	377.33	62.94
May 13	75.3	130.4	112.0	364.94	62.93
May 12	74.4	129.3	111.0	357.58	63.15
May 11	75.0	128.4	110.6	356.54	63.24
Month ago	73.6	124.2	107.3	343.87	62.55
Year ago	76.3	116.9	102.8	287.28	67.20
1948 High	76.8	134.8	115.4	384.20	74.92
1948 Low	70.7	108.0	95.7	290.26	62.11

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporations and Foreign Securities.

DOMINION

Dominion of Can. Treasury Bills—Due Aug. 6, 1948, $75,000,000, issued May 6, 1948. Sold at $99.89779 to yield .410%.

MUNICIPAL

City of Hull, Que.—3%, 3¼% & 3½% debentures, due Feb. 1, 1948-53-58-63, $700,000, issued May 3, 1948. Sold at $97.75 to J. F. Simard & Co.

City of Kamloops, B.C.—3¾% debentures, due Dec. 30, 1948-61, $23,500, issued May 3, 1948. Sold at $97.84 to Odlum, Brown Investments Ltd.

Village of Mont Laurier, Que.—3¼% & 3½% debentures, due Jan. 2, 1949-58-63, $280,000, issued May 3, 1948. Sold at $97.048 to L. G. Beaubien & Co., Ltd. and Banque Canadienne Nationale.

School Commission of St. Marc des Carrieres, Que.—3% debentures, due July 1, 1949-62, $95,000, issued May 4, 1948. Sold at $98.77 to Dudley Dawson Ltd.

Cowichan School District No. 65, B.C.—3% debentures, due Feb. 15, 1949-68, $99,000, issued May 6, 1948. Sold at $95.17 to McDermid, Miller & McDermid Ltd.

City of Chatham, Ont.—3% debentures, due June 15, 1949-68, $325,000, issued May 10, 1948. Sold at $100.75 to Isard, Robertson & Co., Ltd.

Township of Scarborough, Ont.—3¼% & 3½% debentures, due June 1, 1949-68, $200,000, issued May 10, 1948. Sold at $100.379 to Wood, Gundy & Co., Ltd.

CORPORATE

Canada Electric—4½% general mortgage sinking fund bonds, series C, due Nov. 1, 1972, $500,000, issued May 10, 1948. Offered at $100 by G. E. Leslie & Co. and Eastern Securities Corp.

Gatineau Power — 3¾%, 1st mortgage bonds and 4½% debentures, 3¾% due 1973, 4½% due 1949-63, $4,500,000, issued May 10, 1948. Sold privately.

Nelson Laundries — 5% 1st mortgage sinking fund bonds, due Nov. 15, 1962, $290,000, issued May 10, 1948. Offered at $99.50 by Pemberton & Son, Vancouver, Ltd.

Market Comment

What stocks and bonds are doing and what prominent observers say.

The current market onslaught on the Dow-Jones industrial resistance point and some half dozen previous market records as well is still board-room talk on Wall Street, Bay St. and St. James St.

But chief accent now is on "what will happen from here?" Most impressive argument supporting the theory that the current upturn has not reached its upper levels yet is the manner in which the market has been absorbing huge profit-taking since Saturday. At early mid-week the Dow-Jones industrial average had only given up a little over one quarter of its week's rise and volume, while still high, was moderating somewhat.

Though widespread, heaviest action has been concentrated in the issues of those companies currently enjoying high earnings, and particularly those Canadian stocks listed on the New York Stock Exchange or Curb Exchange — CPR, International Nickel, International Paper and Imperial Oil to name several of the most active. It is obvious that corporate sales, earnings and dividend prospects are now being re-appraised in the light of changed market trend.

The Dow-Jones industrials still has to climb more than 23 points to break through the 1946 high of 212.50 — a feat not too impossible, say market students, in the light of the past week's story. But even the most optimistic do not look for such a development for some time and without some sizeable setbacks.

• • •

W. D. Benson; R. Moat and Co. (Montreal): On Friday, May 14 on a turnover of 3,840,000 shares, the heaviest for any day since May 10, 1940, the Dow-Jones industrial average penetrated its 1947-48 high of 186.85. In so doing it signalled the existence of a major bull market which is now considered to have prevailed since the last quarter of 1946. In view of the enviable record of the Dow theory as a barometer of things to come, a signal of the type described cannot be ignored. But the theory merely defines the nature of a trend giving no indication of probable duration or extent. Therefore analysis of background factors should not be overlooked.

Whereas three months ago well-informed opinion anticipated a sizeable decline in industrial operations before the end of 1948, the view is now advanced that no important change is likely in the near future. In general the view is held that while the price of some manufactured goods may be increased moderately the peak of prices has been seen and the next important change will be downward.

In summary this much can be said: (1) that with business prospects as they now appear for 1948 it will require a major adverse psychological development to upset the bull trend which has now been established under the Dow theory; (2) that with full production, an uneconomically high price and wage level, extended industrial and mortgage loans and with installment buying at an all-time high, prevailing considerations are not those on which bull markets have in the past or are likely in the future to be sustained for any definite period. As matters now stand nimble traders appear justified in extending, on setbacks, trading long positions, but prudence strongly dictates the advisability of maintaining a strong balanced position. As the picture unfolds it will be well to keep a weather eye on the commodity indices for it is not inconceivable that if an upset is to come it may approach from that quarter.

• • •

F. J. Brennan, F. J. Brennan and Co. (Saint John, N.B.): There is a good demand for high-grade bonds on the part of institutions and private investors around the present yield basis; particularly for maturities of one to 15 years. The approximate current yields may continue for some time to come.

Provincial and municipal governments who may be offering new issues in the immediate future would probably obtain their funds at the lowest cost by limiting maturities to not more than 15 years; seven- to 15-year maturities appear to be most popular at the moment with the exception of institutions or private investors who specifically require shorter term issues.

Leading corporations, for the most part, have greatly improved their financial positions in recent years and many are in a position to favorably consider increased dividend disbursement. Many common stocks of these corporations have not fully reflected the progress made and are currently selling below basic value. There have been several situations adversely affecting our stock markets but more recent developments seem to have created a better understanding of the situation and I expect that in due course, our stock market prices will move up into closer alignment with basis value.

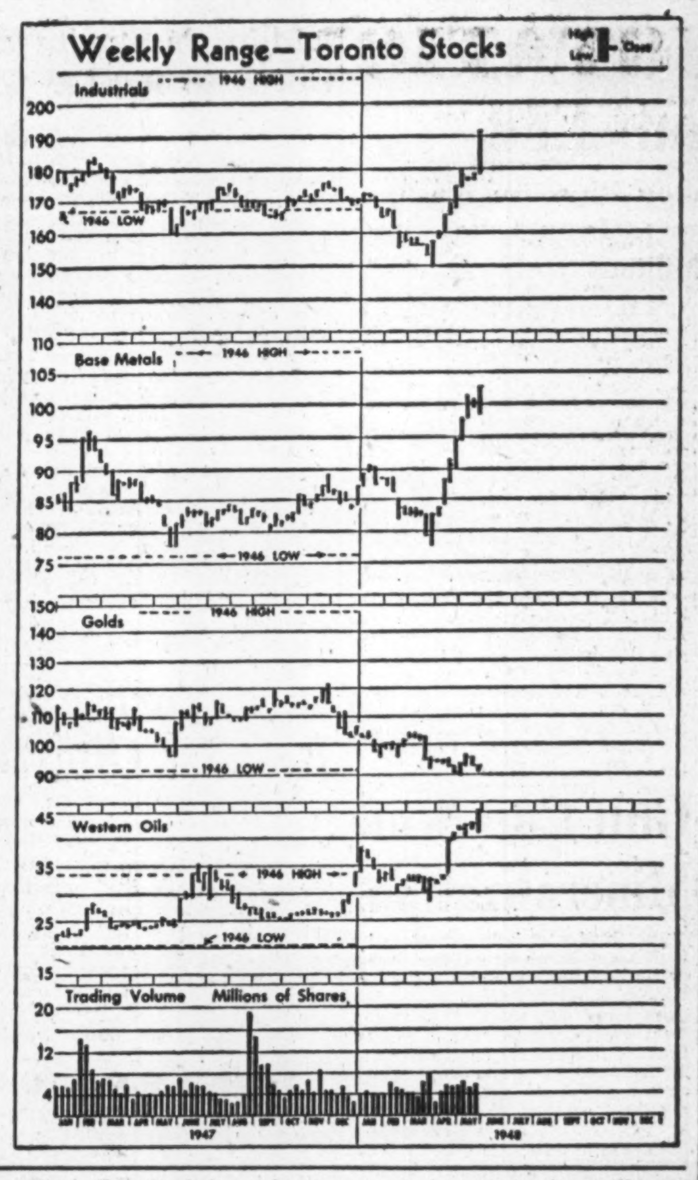
• • •

H. Franks; Osler & Hammond (Toronto): There have been few periods in the last 25 or 30 years when the prices of common stocks of so many long-established and well-managed companies have sold at so favorable a ratio to their current earnings, assets and present as well as future prospects. Talk of depression, labor troubles and Russian aims have been given too much publicity in the newspapers and over the radio and far too little attention given to Canada's wonderful possibilities.

The U. S. dollar shortage has, while hampering production in certain heavy goods, given encouragement to the production in Canada of a quantity of materials previously imported from the United States and has perhaps not been an unmixed evil.

With the almost certainty of the Canadian West being able to produce more than enough oil for western needs and the very large amount of American capital being spent in Canada for development in these western fields, together with the coal and iron deposits in the West and East of Canada, this can only mean continued prosperity for some time to come.

As business always moves in cycles, some recession will eventually take place, but there are no signs of it at present.



Unlisted Mines

Approximate quotations, 3 p.m., May 17, subject to confirmation

	Bid	Ask		Bid	Ask
Abenakis	.02½	.03½	Mar Bird	.05	.06
Advance	.03	.04	Mary Ann	.03	.06
Alcan	.02	.04	Mat Con	.33	.38
Alexander	.03	.05	Mate Yel	.03½	.06
Aljo	.01½	.03	Metalore	.03	.06
Ama Kir	.06	.08	Miles RL	.05	.08
Anna'que	.01	.03	Mindus	.04	.05
Argonaut	.02	.04	Do., vt.	.04	.05
Audley	..	.03	Mink	.04	.07
Aurora Y	.09	.12	Mistassini	.20	.23
Auterra	.00½	.01½	Moffat H	.01½	.02½
Baker	.03	.05	Mohawk P	.02	.04
Barb L n	.02	.04	Murbell	.00½	.01½
Beauriv	.02	.04	Murmac	.23	.25
Bi Ore	.44	.48	McCuaig	.05½	.07
Blondor	.01	.02	McManus	.05	.07
Blue Grass	.01	.03	Nat M	.13	.15
Bouzanne	.03	.05	Nayb '45	.07	.10
Bourl C	.02	.04	Newcore	.15	.20
Bradnor	.01	.03	New Aug.	.07½	.09
Br. Breest	.01	.03	New Mal	.05	.06
Braminco	.13	.17	Nw Ranch	.07	.09
Bravo	.01½	.02½	Nickel L	.09	.12
Bright RL	.02½	.03½	N Offsets	3.00	3.75
B McDade	.06	.08	Norbeau	.50	.60
Burley Po	.01	.02	Norcourt	.03½	.04½
Camlaren	.04	.06	Norford	.01	.02
Captain	.02	..	Normar	..	.05
Carimac	..	.04	Nortyne	.01	.03
Carricona	.01½	.02½	Novele P	.02	.04
Cassidy	.04	.06	Obalski	.04	.06
Cen Mani	.06	.06½	Do. '45	.08	.10
Cock RL	.02	.03	Obaska	.10	.12
Columbier	.02	.03	Oklend	.03	.04
Con. Chib.	.26	.30	Olivet	.01½	.02½
Con Cop	.15	.17	Opemiska	.11	.13
Courageo	.01½	.02½	Orofina	.25	.27
Craibbe	.04	.06	Ortona	.03	.04
Croydon	.08	.06	Palermo	..	.20
Cuyuni	.12	.14	Pascalis	.11	.13
Delhi	.06	.08	Peg Tant	..	.40
Derlak	.02½	.03½	Pelangio	.03	.04
De Sant n	.03	.05	Payne	.05	.07
Dom Mal.	.01	.01½	Phelps	.01	.02
Dom Nick	.04	.05	Pinnacle	.01½	.02½
Dona Pat	.01	.02	Poona Go	.01	.03
Durham	.11	.14	Presdor	.01½	.02½
Doris	.01	.03	Princess	.14	.16
Echo Ind	.03	.05	Princeton	..	.20
Electra	.03	.05	Privateer	.22	.25
Elmac	.03	.05	Quelo	.03½	.04½
Erin Kirk	.01½	.02½	Quest	.02	.03
Eltoro	..	.17	Rajah RL	.02	.05
Flicka	.01½	.03	Rambull	..	.03
Gan Cop	.04	.05	Rand Maj	.04	.06
Gilbec	.00½	.01½	Randona	.05	.07
Goldpac	.15	.20	Raymond	.01½	.02½
Goodrock	.01	.02	Rebair	..	.23
G. Lebel	.05	.07	Redruth	.01	.02
Gov Gold	.02	.04	Redwood	.06	.07
Grnd Chib	.35	.40	Richgr'p	.04	.06
Grandeluc	.45	.50	Rhyolite	.03	.04
Greenlee	.05	.07	Russet	.04½	.05½
Grndhog	.10	.15	Salmita	.06	.08
Gwilliam	.03	.04	Santiago	.16	.19
Halden	.06	.08	Sepha	.01½	.02½
Habitant	.02	.04	Sheldon	.13	.16
Harp Mal	.02	.02½	Silv Arro	..	.15
Hayes Cd	.00½	.02	Skynner	.01	.02
Hornfault	.07	.09	S Dufalt	.16	.19
Hugh Pam	.09	.11	Sovereign	.04½	.06
Independ	.05	.07	Starlight	.03½	.05
Joannes D	.01½	.03	Steeber	.00½	.01
Kamlac	.15	.18	Sun Bear	.08	.10
Ken Bay	.08	.09	Thornhill	.01	.02
Kencour	..	.09	Tiffany	.01½	.02½
Kenda Pe	.06	.09	Tobico	.01½	.03½
Kenroy	.01	.02	Tovarich	.00½	.01½
Lk Expa	.05	.07	Trans A	..	1.00
Lar-Add	.02	.04	Universal	.02	.04
La Salle	.04½	.05½	Val d'Bel	.02	.03
Lavalie	.02	.03	Vermilion	.34	.36
Legardo	.01	.02	Viking	.20	.25
Lennie	.04	.06	Vinray	.04	.05
Lingnora	.12	.15	Wesley	.01	.02
Louvore	.01	.02	West RL	.02	.03
Macho-R	.07	.10	Wilwood	.01	.03
Major Oil	.03½	.04½	Yel'knife	1.50	..
Malen RL	.07	.10	Do., vt	1.50	..
Marbenor	.06	.08	Y Davids.	.18	.20
Marquette	.02	.04			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 18, 1948

	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Public Utility Issues:					
♦Alg. Cen. H.B.R.	5	'59	67	70	67
†Assoc. Tel. & T.	5½	'55	109	...	109
Bell Telephone.	3	'77	96	99	96
B. C. Electric.	3½	'67	93½	96½	94
Calgary Power.	3½	'72	95	98	95
East Kootenay	3½	'67	93	96	92½
♦Gatineau Pr. D	3½	'70	96½	99½	96½
*Do., C	3	'76	95	..	95
Gt. Lakes Pwr.	3½	'67	94½	97½	94½
*Int. Hydro-El.	6	'44	65½	68½	65
L. St. Law. Pr.	3½	'65	97	100	97
Maclaren-Quebec Power	3	'69	93	..	93
†Mtl. Trams. A	5	'55	97½	..	97½
Nat. Lt. & Pr.	4½	'61	99½	..	99½
Nor. Que. Pr.	4½	'67	97	100	97
Ott. L.H. & P.	4	'57	100	..	100
Power Corp.	3½	'67	94	..	93½
Quebec Pwr.	3	'62	96½	99½	96
*Saguenay Pr.	3	'71	96	100	96
St. Maurice Pr.	3½	'70	95	98	94½
Shaw. W. & Pr.	3	'61	98	101	97½
Shaw. W. & Pr.	3	'71	94½	97½	94
Do.	3½	'70	99½	102½	99
Union Gas	4½	'50	99½	102½	99½
Un. Fuel Invest.	4	'59	99	102	99
United Secs.	3	'52	98	..	98
Wpg. El.	3½	'71	101	104	101
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	97	100	96
Acadia-Atlantic Sugar	3½	'65	100	..	99½
Aluminum Co.	3½	'74	100	103	100
Bathurst P. & P.	3½	'68	98	101	98
B. C. For. Pdcts.	4	'66	93½	96½	93½
B. C. Pulp & P.	3½	'67	94	97	94
Bowater's Nfld. P. & P.	3½	'63	97	100	96½
Brompton P. & Paper	3½	'66	93½	96½	93
*Brown Co.	5	'59	102½	105½	102½
Burns & Co.	4	'63	97½	100½	97
Can. Steamship	3½	'57	99½	102½	99½
Can. Brews.	3½	'67	94	97	93
Can. Celanese	3	'62	95½	98½	95½
Can. Oil	3½	'62	97½	100½	96½
Can. West Lum.	4	'62	98	101	98
Chatco Stl. Prod.	4	'67	91	97	91
*C. P. R.	3½	'51	102	105	102
Do.	4	'49	101½	..	101½
C.P.R.	4 Perp.		107	..	106
Consol. Paper	3½	'67	99	102	98½
Dom. Coal	4½	'52	100	..	100
Dom. T. & Ch.	3½	'57	100½	103½	100½
Dom. Textile	3½	'59	101½	..	101½
Dom. Woollens.	5	'64	99½	102½	99
Dryden Pap.	4	'61	99	..	99
E. B. Eddy	3½	'66	93½	96½	93½
E. B. Eddy	4	'66	99	102	98½
English Elec.	4	'67	94	97	93½
Federal Grain	4	'64	96	99	96
Gt. Lakes Pap.	3½	'67	98	101	98
Imperial Tobac.	2½	'66	94½	97½	94½
Indust. Accept.	3½	'66	93	96	93½
Lake St. J. P.	5½	'61	101	..	101
Do.	5	'61	101	..	101
Lang, John A.	4½	'62	99	..	99
Laurentian Silk	4½	'67	99	..	99
MacMillan (H. R.) Export	4	'65	100	103	99½
Maple L. M.	3½	'63	98	101½	98
Massey-Harris	3	'66	92	95	92
McColl Fron.	3	'71	95	98	94½
McCormicks	4	'52	99½	..	99½
Mercury Mills	4	'63	99	..	99
Monarch Knit.	4	'66	99	102	99
Morgan (Henry) Prop.	3½	'67	94½	..	94½
N.S. Stl. Coal	3½	'63	95	98	94
Penman's	3½	'66	98	..	97½
Price Bros.	3½	'66	97½	100½	97
Silv. Dairies	4	'60-64	97	101	97
Do.	4	'71	95	99	95
Simpsons Ltd.	3½	'60	101	104	101
Steel Co. of Can.	2½	'67	94	97	93
Toronto Elevat.	3½	'66	97½	100½	97½
United Corp.	4	'58	99½	102½	99½
United Steel	4	'60	98½	101½	97½
Untd. Grain Gr.	4	'63	99	102	99
†Western Grain.	5	'63	75½	79½	75
York Kt. Mills.	3½	'71	89	93	89

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
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New Highs & Lows

During the week ended May 15, 78 new highs were recorded among the "general" stock exchanges, and 11 new lows. In the mining group there were six new highs and 14 new lows; five new highs and four new lows among the western oils.

GENERAL

New Highs—1948

Abitibi Pr. & Pap.; Do. 1st pfd.; Aluminum new; Brazilian Tr.; Bruck Mills; Building Products; Burrard D. D. A; Can. Cement; Can. Forg. A; Candn. Bronze; Candn. Car; Do. A; Candn. Cel.; Do. pfd.; Candn. Coll.; Candn. Cott. pfd.; Candn. Gen. Inv.; Candn. Ing. Rand; Candn. Marconi; Candn. Pac. Rlwy.; Can. Pr. & Pap. Inv.; Do. pfd.; Candn. Vickers; Candn. Westingh'se; Catelli Food; Cons. M. & Smelt.; Cons. Paper; Cons. Textiles; Crow's Nest P. Coal; De Havilland A; Dom. Bridge; Dom. Engineer.; Dom. Stl. & Coal; Dom. Woollens; Donnacona Pap.; Easy Washing; Electrolux; Fraser Cos.; Goodyear Tires; Gt. Lakes Pap.; Do. A pfd.; Gt. West Coal; Hamilton Bridge; How. Smith Pap.; Hubbard; Hydro Electric; Imperial Oil; Imp. Tob. 4% pfd.; Ind. Accept. A; John Inglis; Intercolonial Coal; Int. Nickel; Int. Paper; Int. Utilities; J. A. Lang; MacMillan Exp. B; Massey-Harris; Do. pfd.; McColl-Frontenac; M. & O. Pap.; Montreal Locomo.; Nat. Steel Car; Ottawa Elec. Rlwy.; Penmans; Photo Engravers; Powell River; Power Corp.; Pressed Metals; River. Silk Mills B; Robinson Little; St. Law. Flour pfd.; Sicks Brew.; Do. V.T.; Simpsons B; Steel Co. pfd.; Toronto Iron A; Walker-Good.; Zeller's

New Low—1948

Beaver Lumber; Bk. of Nova Scotia; Blue Ribbon pfd.; Can. Perm. Mtge.; Can. Wallpaper B; C. W. Lindsay; Power Corp. pfd.; Tooke Bros.; Toronto Mtge.; Western Brew.; York Knit. B Rts.

MINING

New Highs—1948

Century; Goldale; High Bell; Hudson Bay; Kay Rand; Mining Corp.

New Low—1948

Alta.; Bordulac; B. R. X. Cons.; Duquesne; Goldhawk; Jack Lake; Joburke; Kenville; Lamaque; Little L. L.; McKenzie R. L.; Pamour P.; Picc'y Porc.; Towagmac

OILS

New Highs—1948

Anglo Can.; Calgary & Ed.; Home; Leduc West; S. W. Pete.

New Low—1948

Atlantic; Commonwealth; N. Pacalta; Royal Can.

Municipal Bonds

May 18, 1948

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria	3¾	'55-66	98	101	3.60
Vancouver	3	'67	93	96	3.27
Calgary	3½	'51-61	99	101	3.12
Edmonton	3½	'49-59	98	101	2.67
Regina	3	'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg	2¾	'66	93	96	3.03
Ottawa	3	'54	101	103	2.48
Toronto	2¾	'72	92	95	3.05
Hamilton	3	'53	101½	103½	2.25
Windsor	2½	'75	72½	75½	3.95
Windsor	2¾	'75	76	79	4.00
Windsor	3½	'75	89	92	3.98
Montreal	3	'70	93	96	3.25
Quebec	2¾	'66	90	93	3.26
Halifax	3	'66	95	97	3.22
Saint John	3½	'65	100	103	3.27

Investment Trusts

	Bid	Asked
Affiliated Funds	4.19	4.59
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.80	5.25
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.68	4.04
Corporate Invest.	8.75	9.40
Trans-Canada, A	14.35	....
Do. B	....	14.60

COMPANY REPORTS

GOLDEN MANITOU MINES handled a higher tonnage of lower grade ore in 1947, and while production only fell off approximately 1%, higher operating costs pared operating profit from $472,546 in 1946 to $220,988 last year. Amount was transferred to reserve for depreciation and amortization of preliminary development.

Operations in first four months of 1948 show a substantial improvement over same period 1947, and despite reduction of 10% in power requirements Feb. 15 to Apr. 3, operating profit for period equalled entire operating profit in 1947 year.

Shaft sinking to open up three new levels below 960-ft. horizon was completed in Jan., 1947, but it was impossible to bring these levels into production until early in 1948, President H. W. Knight states. During past two years development has had precedent over current production and ore reserves increased by 210,000 tons in 1947 with improvement in grade of gold, silver and zinc.

Underground drilling intersected footwall zone at 2,000-ft. depth, showing a width of 19.5 ft. running 0.01 oz. gold, 1.35 oz. silver and 7.71% zinc.

Company has temporarily deferred establishment of a zinc refinery with American Zinc, Lead & Smelting Co., due to excessive costs.

OPERATING STATISTICS

Years Ended Dec. 31:	1947	1946
Production	$1,595,987	$1,615,070
Less: Development	188,292	131,259
Mining	537,004	425,317
Milling	338,068	302,807
Gen. mine exps.	283,910	253,369
Head Office exp.	26,309	22,157
Int. on loans	1,416	7,615
Operating profit	220,988	472,546
Less: Inc. tax res.	2,755	63,245
Deprec. & amort.	*218,233	279,346
Net prof. & surp. for yr.	nil	129,955

*Represents balance of operating profit transferred to depreciation and preliminary devel. amort.

Earned per share	nil	$0.043

None paid.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & concs.	$279,586	$351,031
Accts. rec.	1,357	3,992
Mat. & supplies	182,135	158,950
Total curr. assets	463,078	513,973
Prep. exps.	16,514	11,167
Prel. development	587,958	587,958
Claims & props.	1,183,695	1,173,694
Plant & equip.	1,528,149	1,263,701
Total assets	3,779,394	3,550,493
Bank overdraft	64,281	....
Accts. & tax. pay.	190,609	224,744
Total curr. liab.	254,890	224,744
Depr. & amort. res.	1,303,651	1,085,418
Capital stock	1,530,007	1,530,007
Surplus	690,846	710,324
Working capital	208,188	289,229

OPERATING STATISTICS

	1947	1946
Tons milled	254,810	224,550
Average recov.	$6.26	$7.19
Ore reserves, tons	945,317	735,302
Grade:		
Gold, oz.	0.037	0.027
Silver, oz.	4.33	3.64
Zinc, %	6.89	6.52

LOWERY PETROLEUMS portion of production from 14 Turner Valley wells totaled 79,978 bbls. in 1947, against 109,864 bbls. in 1946. Daily average was 219 bbls. (301). By reason of price increases totaling $1.55 per bbl. in 1947, revenue received from sales of crude oil remained practically unchanged with 1946, President W. L. Taylor states.

Royalite-Lowery No. 8, a crude oil well in which Lowery has a 50% interest, came into production late in February, 1948, at depth of 8,630 ft. Porous zone from which production is being taken is not well developed and initial production rate is expected to be 125 bbls. per day. It is unlikely that drilling will be undertaken on contiguous location, Mr. Taylor adds.

Company's properties are considered completely developed, with result that little or no further capital expenditures will be required. Directors deem it advisable that surplus funds, as available, should be distributed among shareholders.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net inc. fr. oper.*	$186,875	$192,649
Less: Amort. & depr. of wells & equip.	88,601	120,174
Depletion	6,870	10,094
Income tax	27,693	......
Net profit & surp.	63,711	62,381

*After all oper. & admin. expenses deducted.

Earned per Share	$0.064	$0.062

No divds. paid.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$225,240	$98,118
Accounts, etc., rec.	2,628	14,641
Inventories	1,656	1,871
Total curr. assets	229,524	114,630
Def. & prep. chgs.	160	69
Lands & leases†	19,898	26,768
Wells, plt. & equip.‡	264,591	289,823
Total assets	514,173	431,320
Total curr. liab.	18,563	102
Def. credit	1,351	671
Capital stock	1,050,000	1,050,000
Capital deficit	714,357	714,358
Operating surplus	158,616	94,905
†After depl. of	75,905	69,035
‡After deprec. of	427,579	338,987
Working capital	210,961	114,528

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whose appointment as senior account executive with the Toronto office of Harold F. Stanfield Limited, Advertising, is announced by Allan T. Gowe, manager. Les McMahon brings to his new post a wealth of varied newspaper and agency experience. For many years past he has been with McKim Advertising Limited and is noted for his work in planning and development of new national advertisers. Through the war, Mr. McMahon served as an officer with the Canadian Navy.

BEAUPORT SCHOOL COMMISSION has sold $285,000 of 3% serial 15-year bonds to Grenier, Ruel & Co. at a price of 98.28.

Sherritt's Big Shaft Job Starts by Month End

CNR Sets 20-million-ton Objective for Running in Rail Facilities to Lynn Lake – Ore Reserves Now $109 Millions

Sinking of the 5-compartment shaft on the "A" ore body of Sherritt Gordon Mines at Lynn Lake, Man., is getting under way by end of month, President Eldon L. Brown advised The Financial Post. Sinking to initial objective of 1,000 ft. is to be handled under contract by Nels Forsberg, Winnipeg, and special bonuses are being offered crews to speed up the job. Schedule calls for 200 ft. of progress monthly.

Sherritt's summer program also calls for extensive geophysical surveying of the Lynn Lake area, using electrical geophysical equipment recently adapted for exploration of anomalies by Sherritt Gordon and associated companies. Diamond drilling is to be continued with considerable stress being placed on deeper horizons.

At the annual meeting Mr. Brown pointed out that at current prices of nickel and copper Lynn Lake ore reserves have a gross value of somewhat over $109 millions. The recoverable value of ore reserves based on results of company metallurgical test work, is slightly more than $86 millions, or $14.45 per share.

Regarding possibilities of railway construction to the Lynn Lake property, Mr. Brown told The Post that the CNR was willing to provide rail transportation as soon as a 20-year operation at the mine was assured. The company is about 50% on the way to that objective and Mr. Brown can see no reason why ore bodies below 1,000 ft. (present tested depth) should not meet the 20-million-ton objective or 20 years' operations suggested by the CNR. The company is out to prove tonnage possibilities this year, both by setting up drill stations at 1,000 ft. to test depth—upon completion of the shaft—and through program of drilling from surface.

Initial three holes drilled on the optioned property, adjoining the Bob Lake acreage, returned negative results, but two drills are being utilized to speed up test through the ice before break-up. Extensive drilling is planned during the next few months before next cash payment is due under terms of the option.

Gulf Cuts Wide Mineralization

The third drill hole put down by Gulf Lead Mines on eastern shores of Hudson Bay has cut a 33-ft. section of mineralization, containing galena and sphalerite, at depth of from 425 to 458 ft., The Financial Post is informed. The hole was drilled 1,000 ft. east of No. 1 which returned 5 ft. of similar material, and 500 ft. east of No. 2 which gave a 17-ft. section, suggesting greater thickness to structure going inland.

The holes are all vertical borings and No. 4 is to go down at point 500 ft. south of No. 1. The second drill is expected to go into action this week end and the other two machines to commence working on completion of assembling.

Rapidly accumulating drill cores are being stored until after spring break-up about June when they will be shipped by air transport to Haileybury for assaying.

Gulf Lead has a crew of about 47 men on the property and about $500,000 in the treasury to finance this season's exploration which is to be confined primarily to drilling.

Leitch Gold Profit Up In Three Months

Net profit of Leitch Gold Mines totaled $64,033, equal to 2.2 cents a share in first quarter of 1948 as against $41,691, or 1.4 cents a share in similar period of 1947.

Gross production was $247,343 and operating expenses $163,801, leaving operating profit of $83,543 ($198,572 production, $148,200 expenses and $50,372 profit).

MATACHEWAN CONSOLIDATED MINES experienced a net loss of $1,779 in three months ended Mar 31 (net profit $1,066 in same period last year).

Dulama's Shaft Going to 400 Ft.

Shaft sinking to 400-ft. depth is expected to get under way this week end on Missinabi property of Dulama Gold Mines, Engineer R. J. Isaacs states. Cost of program, including opening ores to production, is expected to run around $259,000. An offering has been received from Renabie Gold Mines to treat ore on a customs basis. Cost of construction of a 100-ton mill would run around $150,000.

Dulama currently has about $70,000, including 2,000 shares of Quemont. Additional working capital is to be secured from sale of treasury shares. Subject to increase in capital, Astral Mining & Resources has underwritten 500,000 shares at 16 cents a share, payable $20,000 upon issue of supplementary letters patent and $60,000 within 30 days thereafter. The same interests have also optioned 250,000 shares at 20 cents a share, exercisable within 60 days from date of first payment and 250,000 shares at 30 cents a share within 90 days.

Quebec Base Metal Output Up 255% In First Quarter

A combination of improved labor supply, higher metal prices and increased tonnage treatment, have been dominant factors in the 255% rise in gross production of the four producing base metal mines in Quebec in first quarter of 1948. Combined output of Golden Manitou, Noranda, Normetal and Waite Amulet totaled $1,274,245 from treatment of 428,072 tons of ore in first quarter 1948 ($358,960 from 233,181 tons in similar period of 1947).

Noranda's production jumped from $242,865 to $1,052,450, the substantial rise being accounted for in part by strike action which closed the smelter during January and part of February, 1947; Golden Manitou, $42,735 to $49,315; Normetal, $24,850 to $33,740; and Waite Amulet, $48,510 to $138,740.

Bullion production of the 19 gold producers was $4,646,755 in 1948 period, up 5.1% from output of $4,420,255 of 18 producing properties in 1947. New producers included in 1948 figures are Consolidated Central Cadillac, Louvicourt Goldfield Corp. and New Marlon, replacing Francoeur and Mic-Mac Mines which have since ceased operating.

Production and tonnage figures in the first three months of 1948 follow:

Mine	Tons treated	Value
Base metals		
Golden Manitou	76,560	49,315
Noranda	201,557	1,052,450
Normetal	51,267	33,740
Waite Amulet	98,688	138,740
Total	428,072	1,274,245
Gold		
Belleterre	31,761	383,460
Can. Malartic	81,942	291,690
Cons. Beattie	106,990	420,770
Cons. Cen. Cad.	25,722	109,445
East Malartic	70,120	312,375
Elder	23,216	107,450
Lamaque	70,350	345,380
Louvicourt	28,010	103,705
Malartic G. F.	66,853	454,055
New Marlon	14,220	103,880
O'Brien	14,718	268,870
Perron	25,450	167,895
Powell Rouyn	28,034	124,145
Senator Rouyn	28,714	127,925
Sigma	98,387	580,195
Siscoe	13,952	121,030
Sladen	57,787	150,185
Stadacona	33,559	222,740
Sullivan	33,155	251,580
Total	852,940	4,646,775

Inco Earnings of 68 Cents Best 1st Quarter Since '37

International Nickel Co. of Canada earnings of 68 cents per common share in the first quarter of 1948, represented the best peacetime first quarter since 1937 when earnings were equal to 77 cents per common share. Per share earnings in first and final quarters last year were 51 cents and 65 cents, respectively.

Net sales of $45,667,328 were 14.55% above first quarter 1947 sales of $39,866,118. After meeting higher operating costs and expenses, increased appropriations for depreciation, retirement services and taxes, final first quarter 1948 profits at $10,415,705 were 31.3% above earnings of $7,929,845 in 1947.

Net working capital of $146,781,766 was moderately above 1947 amount of $144,095,210.

Shell To Drill At Sussex, N.B.

Shell Exploration New Brunswick is undertaking initial test well in New Brunswick and has picked site about 10 miles east of Sussex for research of oil. Company's plans also include drilling of at least one more exploratory test well, and possibly two in other areas.

Initial well is designed to test Albert formation which may be necessary to drill to a depth of 4,000 to 4,500 ft. The Albert formation yields gas in the Stony Creek field, which supplies city of Moncton.

Shell plans using latest type of mobile drilling equipment on the well and is bringing the rig from Texas, along with three American drillers to train Canadian crews.

The company plans continuing geological work this summer, utilizing three field parties, as well as other supervisory geologists. Geological and seismic work will be directed by Dr. W. C. Gussow, and drilling by General Manager A. D. Kingsford.

UNITED ASBESTOS CORP. plans commencing surface exploration immediately with work to be directed by Mine Manager Albion Ward. Officers and directors are: E. M. Freeman, president; L. T. Porter, vice-president; M. C. Lanctot, secretary; Gerald McTeigue, treasurer; and Robert Wadsworth, a director.

MINING CONCENTRATES

AMERICAN YELLOWKNIFE GOLD MINES is getting work under way on its silver-lead-zinc property located 1½ miles north of the main line of the CPR from McKellar Harbor on Lake Superior. Company has traced a band of carbonates varying from 3 to 24 ft. wide for a length of approximately 1,500 ft. There are no outcrops in this distance and only visible showings have been exposed by seven rock pits. Work is to be under direction of the resident engineer and will include stripping, rock trenching and bulk sampling, to be followed by diamond drilling. Company is to utilize a prospecting party in the Yellowknife area this year.

* * *

ARGONAUT YELLOWKNIFE MINES has acquired 64 well sites in the Lloydminster field, adjacent to properties now under contract to be drilled.

* * *

BASE METALS MINING CORP. treated 4,028 tons of ore for production of 705 tons of zinc concentrates averaging 59.1% and 35.4 tons of lead concentrates averaging 82.17% in April. During the month 14 cars of zinc concentrates and one car of lead concentrates were shipped to the smelter.

Ore reserves are being well maintained ahead of increased production, company states, with reasonable assurance that tonnage and grade of reserves will be substantially increased following development of new high-grade ore in Monarch section and extension of workings in No. 4 ore body in Kicking Horse section.

* * *

CANADIAN MALARTIC GOLD MINES operating profit, before allowance for depreciation, was $20,983 in three months ended Mar. 31 ($44,734 in same period of 1947). Bullion production totaled $297,709 from 81,942 tons milled ($323,214 from 82,741 tons).

* * *

MURMAC LAKE ATHABASKA MINES reports completion of financing arrangements to start development of newly acquired Alexander Gordon claims, Sourdough Ridge, Keno Hill district, Yukon territory. Camps are equipped for accommodation of 25 men, and while field organization carries out trenching, tunnelling, groundsluicing and sampling, high-grade ore for immediate shipment will be cobbed and sacked at the pits and open cuts, chiefly on the Eureka claims, company states. Work is to be conducted under the direction of Colin A. Campbell, consulting engineer.

* * *

QUEBEC LABRADOR DEVELOPMENT CO. advises that 21-man development party will be flown into company's Quebec concession about June 10. Arrangements have been made with Photographic Survey Co. to conduct an aerial survey of the concessions in conjunction with surveys of adjoining concessions to north and south. Company has about $150,000 available for 1948 program.

* * *

SISCOE GOLD MINES bullion production totaled $189,937 from treatment of 19,150 tons of ore averaging $9.92 gold per ton in three months ended Mar. 31 ($260,218 from 26,786 tons and $9.71 recovery in similar period 1947). April production was $45,530 from treatment of 5,198 tons and $8.76 recovery.

* * *

UNITED KENO HILL MINES has opened a length of 65 ft. of ore running 309 oz. across 1.72-ft. width in Elsa vein. In terms of production above high grade represents around $200 per ton. Stockpile is reported to represent a value of $1 million in silver and lead.

COMPANY REPORTS

GUNNAR GOLD MINES net profits increased substantially in 1947 as a result of sizeable profits realized on sale of investments. Disposal of company's machinery and equipment was completed, and book value of these assets, and related reserves for depreciation, have been written out of accounts against net sum realized on disposal. Resulting loss of $18,537 was charged to surplus account.

President G. A. LaBine states that advances to Ogama-Rockland Gold Mines, plur accrued interest, amount to $321,416. Funds were advanced to complete development work and to finance Ogama to production. Company has retained options on Hislop twp. property.

Since first of 1948, company has staked 15 claims, in two groups, in Bachelor Lake area, Que.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Operating loss	$94,279	$20,547
Add: Other income	21,124	13,020
Invest. sale	198,193	29,986
Net earnings	125,038	22,459
Less: Misc. exp.	23,170	7,254
Net prof. & surplus	101,868	15,205
Earnings per Share	$0.0377	$0.0056
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$10	$6,289
Accts., etc., receiv.	6,910	10,559
Mkt. secs.*	559,427	634,708
Inventory	2,974	5,562
Total curr. assets	569,321	657,118
Adv. to Ogama-R.	321,417	......
Other invest.	31,110	31,110
Prep. chgs., etc.	965	153
Optioned properties	25,080	96,441
Mining claims	195,012	195,012
Plant & equip.▲	6,003	84,564
Total assets	1,148,908	1,064,398
Bank overdraft	2,064	......
Accts. payable	1,305	2,192
Prov. for taxes	4,165	4,164
Total curr. liab.	7,534	6,356
Capital stock	865,394	865,394
Surplus	275,980	192,648
▲After depr. of	3,955	351,775
*Market value	836,072	1,577,069
Working capital	561,787	650,762

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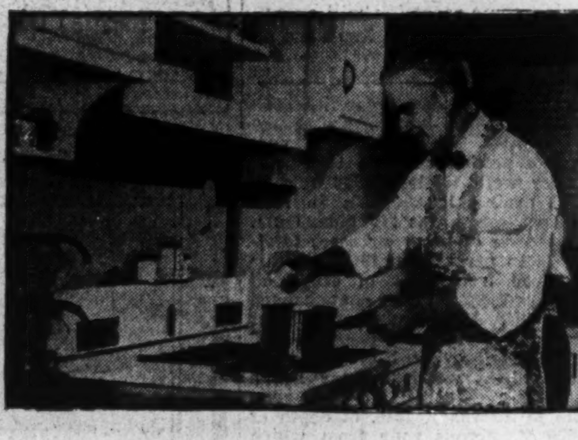

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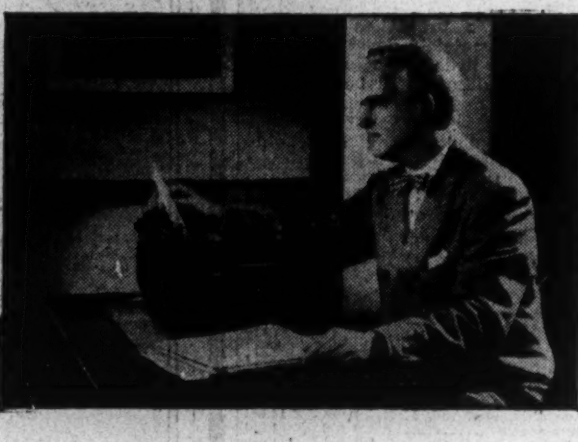

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Dom. "War Baby" Magnesium Overcomes Growing Pains and Boosts Peace Sales

By CLAUDE TAYLOR

The "war baby" Dominion Magnesium is gradually growing up in peacetime surroundings and the day is fast approaching when "substantial" stockpile of wartime magnesium ingots will be history. The "baby" has already taken an essential place in Canada's industrial world and is now gearing its operations for a saving of American dollars.

VJ-Day and termination of service as a Crown organization left Dominion Magnesium a public company; a stockpile of magnesium ingots and absence of peacetime applications for its ore.

Today, Vice-president and General Manager J. D. Barrington tells The Financial Post, the company is turning out some 40 to 50 magnesium alloy extrusion products (processed in U. S.) containing some 550 components and serving a Dominion-wide clientele. All types and classes of Canadian industry and business are being served, ranging from professional hockey to the infant magnesium furniture line to be introduced at Canada's trade fair (Toronto, May 31-June 12).

The company has a backlog of calcium orders on hand extending to the end of the current year.

Completion of the new extrusion plant, adjacent to main operation at Haley, Ont., by year end at cost of between $300,000 and $400,000 will pioneer the manufacture of magnesium alloy shapes in Canada and afford a considerable saving of U. S. dollars.

Presently Dominion Magnesium ships carloads of magnesium ingots to the States for extrusion into shapes to meet requirements of the Canadian trade. Vice-president Barrington estimates a saving in American dollars of approximately 40 cents per lb. on magnesium extrusion alloys. In other words establishment of company's own extrusion plant will save difference between stage of magnesium alloy and magnesium extrusion, save costs to both company and consumer, save dollars and provide employment for 20 to 25 men.

Calcium operations at Haley are running at capacity with output rapidly being absorbed by government agencies. Domestic demand for magnesium products has increased materially and Mr. Barrington estimates stockpile of wartime produced magnesium ingots will be entirely liquidated by the summer of 1949.

Use of company's comparatively new by-products, barium, titanium and strontium is gradually widening with a potentially important Canadian market available in barium and titanium if developed. The over-all operation at Haley is utilizing some 250 men with payroll expected to be increased to 275 by year end or early 1949.

Vice-president Barrington estimates around a 25% increase in sales for 1948, or another record-breaking year in the comparatively short peacetime life of the company. The anticipated rise in profits is expected to be important in 1948, substantially above the $18,568 profit figure last year which represented the first profitable year of operation since company was released from Crown control.

Despite the steady flow of operating capital into construction of the new extrusion plant, purchase of presses, annealing furnaces and subsidiary equipment, working capital at end of April had moved above the $1,159,389 shown at Dec. 31, 1947.

Propertywise, the picture remains about the same as in 1945 when company estimated ore reserves to be four million tons, or sufficient to cover operating requirements for the next 50 years.

Mindus-Mica Switch Aids Finance Plans

Direct control of Bickle-Seagrave, Rollins Gears Ltd., Woodstock and Canadian Anodized Products, Aurora, has been acquired by Mindus Corp., The Financial Post is advised. Heretofore the Mindus interest was indirectly controlled through its subsidiary Mica Co. of Canada.

Through the transaction, approved by Mica shareholders, Mica Co. is relieved of Mindus claims against the company for $107,688 and turns over to Mindus a guarantee of notes of Canadian Anodized Products. The deal, it is stated, effects a clearance for Mica's own financing and a capital expansion program designed to take full advantage of a projected expansion in the electrical field with Hydro's 25-60 cycle conversion.

Shareholders' approval has been granted for Harrison Securities, controlling interest in Mindus Corp., to underwrite $100,000 Bickle-Seagrave bonds and 20,000 Bickle-Seagrave shares, as a measure of erasing bank indebtedness.

Discovery Completes Financing Agreement

With a view to securing sufficient funds to bring its property into production, Discovery Yellowknife has completed an underwriting and option agreement involving $503,000. Initial firm payment is $80,000. Option includes 100,000 shares at 60 and 100,000 shares at 95 cents and a $300,000 5% 5-year sinking fund mortgage.

Construction of the mill and additional buildings is to be carried out this summer. All building materials and general supplies were delivered to the property before breakup. Mill equipment and Diesel power plant are being shipped to Yellowknife. Purchased from U. S. interests, mill equipment is reported in good shape.

ELDER MINES operating profit for April was estimated at $15,045 from 7,657 dry tons of ore shipped, including estimated $5,720 receivable from Dominion Government under Bill 7. A total of 140 ft. of drifting, 130 cu. yds. of drift slashing and 890 ft. of underground diamond drilling was completed. Work preparatory to shaft-deepening is ahead of schedule.

In order to explore further vein system found on southern section of the property in July, 1946, surface drilling is being resumed this month. Intersections obtained in earlier drilling included 0.16 oz. across 9.6 ft. and 0.39 oz. across 5.2 ft. Indicated length was 1,200 ft., parallel to Nos. 1, 3 and 5 veins.

PRIVATEER MINE reports bullion production of $36,867 during April when 2,642 tons of ore were trammed to the mill and 1,650 tons treated after sorting. Grade averaged $22.34 per ton.

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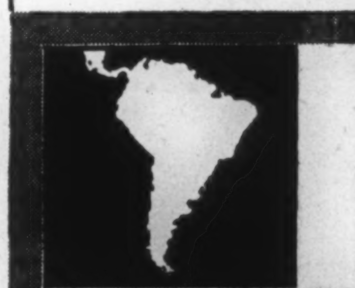

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Manitoulin Quartzite Sale Brings Can. Silica Offer

The newly incorporated Canadian Silica Corp. has taken over operations of Manitoulin Quartzite and this week cleared decks for financing partial liquidation of accumulated debt of former interests, The Financial Post is informed.

The original financing group — Lapa Cadillac Gold Mines (70%); Mentor Exploration & Development Co. (10%); Sudbury Contact Mines (10%); and Wiltsey-Coghlan Mines (10%) — are receiving a total of 10,000 shares of $10 par value 6% preference shares and one million common shares in the new company.

Shareholders (above group) are being offered right to subscribe for a total of 15,000 preferred shares at par, carrying a bonus of three common shares for each preferred purchased. Latter are redeemable and callable at $11; 25% of net profits to be set aside, after 1950, for redemption purposes. Unsubscribed portion of offering is to be made available to general public at $10 per share, but carrying a two common share bonus only. Completion of financing will leave 5,000 preferred and 455,000 common shares intact in the treasury.

The quartzite operation on Manitoulin Island, some six miles from Little Current, has been actively developed for past three years at reported cost of $300,000, and regular shipments of ore made by freighter from Little Current to U. S. destination. The quartzite is an important ingredient in ferrosilicon used extensively in manufacture of alloy steels.

Recent completion of company's dock facilities and conveying equipment, adjacent to crusher house and quarry site, has already reduced shipping costs and payment of $2.25 per ton (U.S.) funds at dock is expected to provide a potential source of U. S. dollars, it is stated. With signed orders on hand for approximately 70,000 tons of ore, and indications of at least double that amount in shipments this year, company is hopeful of providing upwards of $250,000 in U. S. dollars to Canada's economy.

So far this year over 10,000 tons have cleared the property with a rapid speedup in loadings expected now that arrangements have been completed for coal-carrying freighters to pick up pay loads on return trips to Buffalo and U. S. ports after unloading at Little Current coal depots. Currently a stockpile of around 10,000 tons of quartzite is being maintained at the property with crusher capacity on hand for production of over 1,150 tons per 8-hour day. Reserves are officially estimated at some six million tons.

Balance sheet at April 15 showed current assets of $48,937 and current liabilities $94,809. Deferred liabilities amounted to $73,197, repayable on a royalty basis from production. Royalty payment on leasehold property is a minimum of $2,000 annually, or 10c per ton of ore shipped. Completion of financing and 1948 income, based on shipments of 100,000 tons, is expected to erase normal outstanding indebtedness and leave working capital upwards of $50,000, it is stated.

Dickenson Drilling Proves Ore To Depth

Raising and interlevel drilling is proving continuity of ore bodies from surface to bottom level at Dickenson Red Lake Mines. Diamond drilling has located downward extension of 1-4956 ore body, cutting 1.48 oz. across 7.9 ft. When included with an adjoining section, the intersection averaged 0.98 oz. across 12.9 ft.

Excavation of mill site and heightening of headframe was completed during past two weeks. Two drill crews are engaged in lateral work and one on stope preparation on first and third levels. Drive to intersect Campbell C zone on fourth level is within 700 ft. of its earliest objective. Additional crews will start taking down backs in June in preparation for production.

Coniaurum Profits Up During First Quarter

Estimated net profit, before depreciation, of Coniaurum Mines totaled $49,883 in three months ended March 31, 1948, up from $16,116 in first quarter and a gain of $32,301 over final three months 1947.

Net income from bullion production was $307,924 from 28,260 tons of ore milled ($229,865 from 29,310 tons milled in first quarter 1947). Secretary A. G. Fulton credits improved earnings to a higher than usual grade of ore being treated for a short period during first quarter. Company hopes to use every possible means to increase tonnage during the current year.

DONALDA MINES is concentrating work on preparations for production, which is expected to start early in July, depending on completion of satisfactory arrangements with Powell Rouyn Gold Mines for treatment of ore on a custom basis. A production rate of 200 tons a day is immediate objective, to be increased to 300 tons as preparation of stopes advances. Raising is being carried out above 101 west drift on first level and also on 401 east drift on 4th level. A number of short diamond drill holes have been completed underground recently to guide raising and stope preparation. In a vertical hole below the 103 east drift, an intersection averaged 1.76 oz. across 5.4 ft.

QUEBEC POWER CO. reports a net profit of $150,953 for the quarter ended March 31, 1948, compared with $146,499 a year ago. Gross revenue was up $114,059 while taxes and other expenses increased by $75,121. Fixed charges amounted to $129,477 as against $104,359.

ELDONA GOLD MINES shaft sinking program is expected to reach objective at 1,025 ft. this week, including cutting of station for third new level at 1,000 ft. Drives on 700 and 850-ft. levels are expected to reach western margin of main ore body early in June, within a week after starting. Following installation of pumping equipment, etc., and start of development on 700-ft. level, the drive on 1,000-ft. level will get under way. In addition to drifting and crosscutting, extensive diamond drilling is planned from this level. The mineralized zone came into the shaft at 900 ft. and continued to a short distance above 1,000-ft. level. At a depth of 938 ft., sampling across 5.0 ft. averaged 0.15 oz. gold; 1.22 oz. silver and 2.25% copper.

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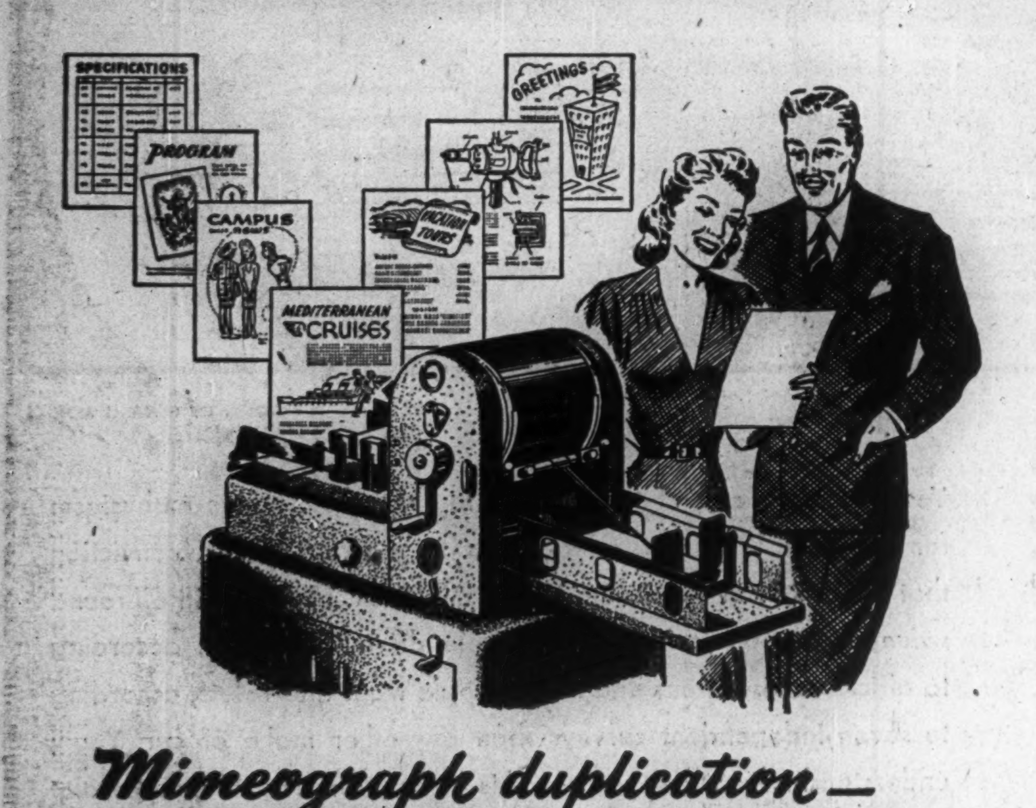

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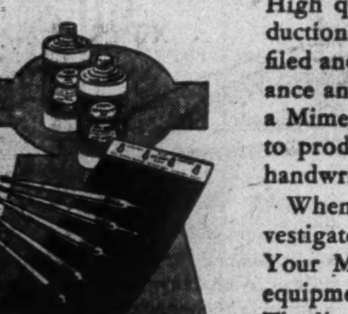

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NEW METHODS developed by Canadian scientists extract additional metals from Canadian ores . . . a whole range of minor metals are now the valuable by-products of our lead-zinc ores . . .

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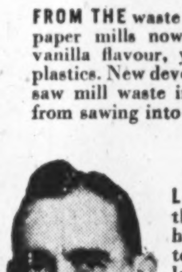

LAIRD MILLER of Jarvis, Ontario, "started at the bottom" in a local industry 20 years ago, has advanced to a position of responsibility today. 13 years ago he took over the failing local newspaper, has built it up until it has gained recognition as one of Canada's outstanding weeklies. He has served eight years as Councillor, four as Reeve, on his municipal council; last year was elected to the Board of the Canadian Weekly Newspapers Association.

LAIRD MILLER says: *"I'm glad I stayed in Canada when others were seeking success elsewhere. There have always been opportunities here for those ready to take advantage of them — but never have there been so many, or such a variety, of them as there are today."*

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LONDON CALLING—By Adelphi

Mine Nationalization Called Failure Steel Issue Widens Socialist Rift

LONDON—I am writing this on the eve of Whitsun Bank Holiday which is a pleasant break in the calendar between Easter and summer. Just why we celebrate it so seriously is one of those minor mysteries of British life. While the banks and shops and factories only close for one day (Monday) Parliament knocks off for a whole week.

However, there will be no rest for the Socialists, even though they combine work with sea air. The party is to hold its annual conference during Whit Week at the Yorkshire seaside resort of Scarborough. And, if I may be permitted a mild pun, they will face a sea of troubles.

As a prelude Sir Charles Reid, the £5,000-a-year production director of the Coal Board, has thrown in his hand. Just to cheer up the supporters of nationalized industries he publicly stated: "I have come to the conclusion that without the most radical alteration from the Coal Board downward, both in regard to type of control and to personnel, the nationalization of mines will prove a disastrous failure. It cannot deal with the indiscipline so rampant in the mines today; it cannot keep an effective check on production costs; nor will it . . . accomplish the vital technical reorganization of the collieries."

It would be bad enough if this were a flash of lightning from a clear sky but actually it is a clap of thunder following the lightning flash of Mr. Shinwell, the present Minister of War but former Minister of Fuel.

"For more than half a century," he said at a public meeting ten days ago, "nationalization was the chief plank in our party platform. But when we came to power no one had any plan to make it work."

For this offense he was attacked by a Junior Minister at a secret meeting of the Parliamentary Labor Party meeting and it was something of a miracle that he was not forced to resign from the Government.

But perhaps the real reason was that Herbert Morrison, as Party Boss is faced with so many revolts that he has no time to get the gallows set up before he is called to another insurrection. There is, for example, Mr. Alfred Edwards, the young-looking, slim 60-year-old Socialist M.P. for East Middlesborough. Edwards was a laborer's son who went to work at 13 and eventually became a successful, well-to-do industrialist, although retaining his Socialist ideology. But now the Socialists look upon him as a pain in the neck. In fact Morrison has not spoken to him for nearly three years.

Edwards is so outspoken, and consequently so famous, that he now appears in cartoons without an identification label. He calmly mounts the public platform and says that if the Government tries to nationalize the steel industry, it will prove itself utterly irresponsible. Unfortunately for discipline, Mr. Edwards voices the secret thoughts of at least half the Cabinet; and it is very difficult to expel a man who has the spiritual backing of so many ministers.

* * *

Then to add to the general confusion, Sir Stafford Cripps calmly delivers himself of this pronunciamento: "One thing no government can do is to produce the goods; that can only be done by the management and the workers in our industries. Nor can the government even provide them with the tools and raw materials."

No wonder the Socialists look puzzled. It all seemed so simple when they were in opposition, and before they had to put their rainbow theories to the test.

* * *

Bevin Will Try To Stage Comeback

Mr. Ernest Bevin will try to stage a comeback at the conference and will be encouraged by the presence of so many Trade Union delegates with their mass voting cards, which can carry any resolution by a majority of millions.

Mr. Bevin has played a brave and stubborn role as Foreign Secretary, but he has missed the one thing that matters—success. He said that he would stake his reputation on Palestine, and now we are coming out and leaving chaos behind. This week he had the humiliation of learning from the newspapers that Russia and the United States were holding secret talks about a showdown meeting. He feels, with some justice, that the State Department could at least have kept him informed.

Then there are the wholesale executions in Greece. As the chief guarantor of the present Greek regime, Mr. Bevin should either defend or condemn these executions. He cannot ignore them or merely ask for a report.

His last speech in the Commons was heavy, dull and lifeless. If he fails to carry the conference with him at Scarborough, I think that we must begin to write him off. It will be too bad, for he has a stout heart and a vigorous brain.

* * *

To turn to more pleasant things, Princess Elizabeth and the Duke of Edinburgh have gone to Paris where they will receive a rapturous reception from a people who understand romance and who are deeply moved by youth and sentiment. France will always be a republic but her people have a feeling for royalty that will never die.

ONTARIO HOLIDAY Scrapbook

CALL it Land O'Lakes or Land of a Thousand Lakes, it still adds up to the Rideau Lake district where lakes are regularly stocked with game fish. Relax on shady beaches, chart a canoe trip, play golf or tennis, you'll find the Rideau Lakes a perfect vacation land. For routes and accommodation details, write to Ontario Holiday, Room 1004, Victory Building, Toronto.

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SLADEN - MALARTIC MINES handling of a larger tonnage of lower grade ore in 1947 cut net loss to $21,752, from $50,598 in 1946. President M. A. Thompson points out in annual report that results of exploration work in "North Shear" zone are still inconclusive.

Diamond drilling of the zone from the 500-ft. level has encountered considerable difficulty at depth due to excessive water and caving. Cost of drilling proved prohibitive and was discontinued after many attempts. One hole reached the probable objective but results were reported disappointing. At present exploratory work is being done by raising on the ore sections outlined on the 500-ft. level. Extent and attitude of the ore shoots will be determined by this work and company hopes to correlate information obtained with results of diamond drilling below the level.

Ore reserves in No. 2 shaft area will be exhausted by mid year at which time the shaft will be closed, Manager R. R. Basserman states. It is hoped that tonnage can be maintained at a level comparable to 1947.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion prod.	$667,615	$610,831
Add: Other income	56,573	33,478
Less: Oper. exps.	678,734	650,158
Oper. loss	*45,454	5,849
Add: Deprec.	39,731	39,731
Devel. w/o	......	5,018
Tsf. to invest. res.	27,475	......
Net loss or deficit	21,752	50,598
Earnings per Share	d$0.0062	d$0.0145
No dividends paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$295,401	$159,856
Dom. bds.	489,614	616,779
Accts. rec.	2,178	2,773
Mat. & supplies	115,819	102,264
Total curr. assets	903,012	881,672
Prep. & def. chgs.	10,706	8,260
Invest. (book val.)	55,913	55,913
Claims & props.	268,343	274,430
Plant & equip.*	248,425	287,897
Total assets	1,486,399	1,508,172
Total curr. liab.	47,670	47,690
Recd. from don. shs.	195,000	195,000
Capital stock	960,258	960,258
Surplus	283,471	305,224
*After depr. of	557,517	517,785
Working capital	855,342	833,982

OPERATING STATISTICS

	1947	1946
Tons milled	216,421	181,557
Average recov.	$3.08	$3.36
Ore reserves, tons	330,000	330,000
Grade ($35 gold)	$3.60	$4.00

Bird Builds Houses At Calgary for Army

From Our Own Correspondent

CALGARY—Bird Construction Co. has applied for a municipal building permit to erect 100 houses, valued at $802,500 for married service personnel at the local barracks. The houses are to be built on a special town planning scheme for the Canadian Commercial Corp., a Crown company.

"EXPORT"

CANADA'S FINEST CIGARETTE

GURNEY FOUNDRY CO. 1947 net profit was almost double that of 1946 at $133,016 ($68,922). Improvement in gross profit was due to increased volume and higher selling prices, as ceilings were removed from company products, the annual report states. Important raw materials such as pig iron, scrap iron and steel are in very short supply.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net income	$338,970	$231,301
Add: Other inc.	37,901	45,817
Net earnings	376,871	277,118
Less: Deprec.	81,400	75,478
Bank int., etc.	11,059	5,068
Bond interest	17,303	41,063
Min. int. in subsid.	4,265	......
Taxes res.	129,828	86,587
Net profit & sur.	133,016	68,922
Times*Bond Interest Earned*:		
Before deprec.	21.14	6.63
After deprec.	16.44	4.79
*Including bond expense and exchange; calculated after bank interest.		
Earnings per Share and Dividend Record:		
Pref.: Earned	†	$1.29
Com.: Earned	$15.48	6.47
No dividends paid on either class.		
†Redeemed in 1947.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$411,650	$390,155
Life ins., c.s.v.	40,429	30,847
Accts. rec.	367,306	200,987
Inventories	662,526	506,118
Total curr. assets	1,481,920	1,128,107
Deposit for s. f.	43,618	230,000
Mtge. rec. less res.	155,542	168,044
Misc. assets	22,009	21,631
Subs. invest. & adv.	......	......
Fixed assets*	774,792	786,303
Total assets	2,477,881	2,334,085
Bank loans	......	228,086
Accts., taxes, etc.	427,841	270,259
S. f. deposit	43,604	......
Total curr. liab.	471,445	498,345
Funded debt	747,500	466,727
Reserves	5,528	11,029
Minority int.	20,821	17,835
Capital stock	859,000	1,128,100
Capital surplus	134,171	143,018
Earned surplus	239,416	69,031
*After depr. of	1,798,114	1,716,714
Working capital	1,010,475	629,762

ECONOMIC INVESTMENT TRUST net profit for the year ended March 31, 1948 was up 17.7%. The earnings figure does not reflect a net credit of $10,920, equivalent to 27c a share of common stock, received from the Income Tax Department as an adjustment of taxes paid to March 31, 1944. It is hoped that a favorable adjustment will also be received for the year ended March 31, 1945.

Net asset value per share, based on quotations of listed shares and securities at the end of the company's fiscal year was approximately $63 compared with $67 at corresponding date last year.

At fiscal year end 90.02% of portfolio was invested in Canadian companies, 9.65% in United States, .30% in Europe and .03% in South America. Common shares represented 53.91% of portfolio holdings, bonds and debentures 32.76%, preference shares and stocks, 12.95% and cash .38%.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net income	$140,053	$133,980
Less: Bond int.	30,000	37,551
Inc. tax res.	6,478	8,424
Net profit	103,575	88,005
Less: Dividends	80,000	80,000
Surplus for year	23,575	8,005
Times Bond Int. Earn.	4.67	3.57
Earnings per Share and Dividend Record:		
Common: Earned	$2.59	$2.20
Paid	2.00	2.00

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash	$13,583	$38,850
Accts. rec.	845	333
Secs., less res.▲	2,880,897	2,843,626
Total assets	2,895,325	2,882,809
Accts. & tax. pay.	12,960	34,939
Divds. pay.	48,000	48,000
Bond int. accr.	7,500	7,500
Total curr. liab.	68,460	90,439
Funded debt	1,000,000	1,000,000
General reserve	125,000	125,000
Special invest. res.	559,579	559,579
Capital stock	1,000,000	1,000,000
Surplus	142,286	107,791
▲Market value	3,577,000	3,715,000

COLD FACTS on COOL WATER

One good way to choose drinking water equipment would be to make tests of various types, based upon your particular needs.

Not everyone has research and testing facilities—but you can get the story of dependable, low-cost water cooling from the folder "COLD FACTS ON COLD WATER."

This informative folder describes the 5-year factory-user replacement warranty with exclusive CORDLEY features on hermetic models... pressure and bottle-type water coolers made by CORDLEY, who have specialized in quality drinking water equipment since 1889... sold and serviced by authorized distributors and dealers in the United States, Canada and 38 other countries.

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Northern Electric Company Limited
1620 Notre Dame West, Montreal

Cassidy's Limited
31 St. Paul St. West, Montreal

Cordley

Automatic Electric Water Coolers

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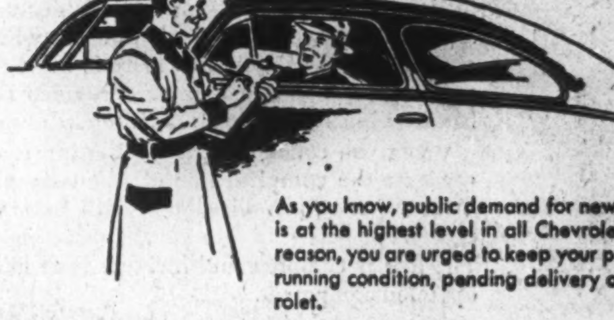
CHEVROLET

Yes, from one end of the country to the other, public enthusiasm for the new 1948 Chevrolet points to a great public conviction that CHEVROLET AND ONLY CHEVROLET IS FIRST in *all-round value* as in popularity. More people drive Chevrolets, according to official registrations and more people want Chevrolets, according to seven independent surveys than any other make of car. You'll understand why when you see this *newer, smarter, finer* Chevrolet for '48. Your own judgment will tell you that it gives more value . . . that it alone offers BIG-CAR QUALITY AT LOWEST COST!

How much more *smoothly* and *steadily* Chevrolet rides on *all* types of roads! Here's real Big-Car comfort. It's the fine result of the Unitized Knee-Action Gliding Ride; and this feature, too, is found only on Chevrolet and higher-priced cars.

You and your family will have Big-Car safety, too. For Chevrolet brings you the *three-fold* protection of Fisher Unisteel body-construction, the Knee-Action Ride, and Positive-Action Hydraulic Brakes—another combination of features found only in Chevrolet and more costly cars.



As you know, public demand for new 1948 Chevrolets is at the highest level in all Chevrolet history. For that reason, you are urged to keep your present car in good running condition, pending delivery of your new Chevrolet.

C-648

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